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The Nation's Business

The Prime Minister Should Speak

CANADA'S official "silence" in this time of world crisis is deplorable and misleading.

It is a needless and unjustifiable reproach to the Canadian people.

It is doing harm to Canada in Britain, in the Empire and in Europe.

Prime Minister King has been fully informed from day to day on the actions of Mr. Chamberlain and the British Government. He must either approve or disapprove of what they have done and are doing.

His silence indicates disapproval.

This is not the correct inference. The Prime Minister, the Dominion Cabinet and the Canadian people would, no doubt, quickly deny this allegation.

They must deny it.

Canada must no longer be placed in an unfair and misleading position by the Prime Miinster's very "vocal" silence.

Years ago the established policy of "big business" was to say nothing in the event of any crisis or trouble. Invariably this silence was misinterpreted—just as the Prime Minister's silence is being misinterpreted today.

Most business firms have learned this public relations lesson — they now speak frankly to their shareholders, their employees, to the public.

Mr. King is Prime Minister of Canada. Canadians rightly look to him to give leadership and to express opinions that will make our position clear not only to Great Britain and other parts of the Empire but to all European countries as well.

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Life Insurance Educates Canadians

IN THE brief recently issued by the Government of Alberta, addressed to the people of Canada and their governments, the life insurance companies came in for sharp criticism.

Figures were quoted and information used in such a way as to give a very misleading impression as to the place and function of life insurance.

This indirect method of attacking a great Canadian institution has fallen largely on deaf ears. Albertans and Canadians at large are indisposed to take fallacious sophistry of this sort at its face value.

One reason for this is that through individual and co-operative effort, the life companies have gone far to educate public opinion as to the soundness and integrity of their business.

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TYPICAL of the educational work done by the life companies in recent years is the co-operative "institutional" publicity now being carried on for the eighteenth successive year. This is no "flash in the pan" propaganda but the cumulative result of a constructive idea born in the minds of leading life insurance executives away back in 1920. Originally this campaign began in a very modest way. Now it appears regularly in publications with a combined circulation of more than 3,800,000 copies.

One important story this publicity emphasizes is the co-operative nature of life insurance. It tells also the story of its strength and solidity—of its value in providing for those who would otherwise be objects of charity and a charge on relief rolls. It shows the value of life insurance to the community by emphasizing the way in which the life companies in Canada have invested hundreds of millions of dollars for improving roads, building homes, extending transportation systems and similar public enterprises throughout the Dominion.

One point made recently through this publicity was that over $90 millions has been invested in Alberta alone, by life insurance companies.

The life companies have reason to be proud of this and similar constructive educational work.

The wisdom of this long-standing policy of taking the public into their confidence is bearing fruit not only in Alberta but wherever the institution of life insurance is being challenged.

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Trans-Canada Air Lines Marks Milestone

INAUGURATION last week by Trans-Canada Air Lines of a regular express service across the Prairie Provinces to the Pacific coast marks an important milestone in Canadian transportation history.

It is a forerunner of a coast-to-coast service which will shrink Canada to a fraction of its former size as far as commercial and personal transportation is concerned. Full mail service will begin between Winnipeg and Vancouver about October 1, with passenger service getting under way as soon as executives of the company are satisfied with radio range-finding equipment across the Rockies.

Despite criticism and delay, completion of the service through eastern Canada is being pressed as quickly as safety, efficiency and economy permit.

Whatever success is achieved by Trans-Canada Air Lines — financially, technically and from a public service point of view—is traceable primarily to two men. First to Hon. C. D. Howe as Minister of

(Continued on page 2, col. 3)

Alberta Unity Forces Ready For Fall Drive

Split Between Gardiner and Liberal Leader Gray Rumored

CAUTION IS URGED

From Our Own Correspondent

EDMONTON. — The possibility that E. L. Gray, leader of the Liberal party in Alberta, will shortly adopt a position of complete independence from the federal Liberal organization is seen in some circles closely in touch with Alberta affairs.

Relations between Mr. Gray and Hon. J. G. Gardiner, Federal Minister of Agriculture, who is the Federal Cabinet contact man for political affairs in both Alberta and Saskatchewan, have figured in controversy in this province over the Liberal party's relations with other opposition groups.

Mr. Gardiner's advice is reported to have been consistently against commitments with other parties in Alberta to form alliances against the Social Credit Government.

Opposition Busy

Reports of steady deterioration of popular support for the Social Credit Government have spurred preparations of opposition parties for organization activity immediately following the harvest.

Political leaders recognize that the organization campaigns they launch this fall are but preliminaries to the general election campaign that is anywhere from 18 to 24 months away. Most delicate problem for them to decide is the nature and extent of co-operation, if any, among themselves against Social Credit. Key man in this situation is Liberal leader Gray. But no less important are the rôles played by D. M. Duggan, Conservative chieftain and sparkplug of the legislative opposition; by John I. McFarland, chairman of the Unity Council, a new political organization, whose rôle is not clearly indicated as yet; and by Robert Gardiner, president of the United Farmers of Alberta.

Impatient unionists have urged haste in formation of a cohesive or-

(Continued on page 10, col. 5)

S. Can. Power Earnings Up

Surplus Lower in August But Up for First 11 Months

From Our Own Correspondent

MONTREAL.—Results of Southern Canada Power Co. for the 11 months ended Aug. 31 indicate slightly higher earnings for the fiscal year ending Sept. 30. Surplus for the 11-month period, after providing for all charges including dividends, amounted to $46,539, an increase of $16,027 over the same period last year.

Assuming the decline in earnings is no greater in September than in August, net profit for the year should be equivalent to about 93 cents a share on the common stock, compared with 90 cents a share in the year ended Sept. 30, 1937.

Gross earnings in the current fiscal year, except for the months of April to June inclusive, have been ahead of the same month a year ago. In each of the first six months, net earnings and surplus also recorded increases. In recent months, however, the increase in operating expenses has been greater than the increase in revenues. As a result the gain in net earnings and surplus accumulated during the first half of the year has been declining.

C. N. R. Gross Earnings Rise Above 1937 Level

Canadian National Railways gross earnings last week for the first time since December topped the corresponding period a year ago. Gain was only a fraction of 1%, but it compares with weekly losses running between 15% and 20% in the late spring and summer.

Improvement is entirely due to the heavier grain movement this fall in the western provinces. Big revenue from this source is expected until well into the winter. A month ago, Canadian Pacific earnings for the first time since January exceeded the corresponding week a year ago and have continued to maintain gains ever since.

Ultimatum Sent Alberta Banks

From Our Own Correspondent

EDMONTON.—The Government of Alberta has delivered an ultimatum to all the branch banks in the province.

The banks have been given until Sept. 26 to pay an increase of 50% in the present taxation or face proceedings in the courts to collect the money.

Notice sent by letter to all the banks came as a surprise.

The banks have not yet announced their policy.

Bren Hearings Start Sept. 26

Preliminary Steps Taken at Opening Session of Enquiry

Hearing of evidence in the Bren machine gun enquiry arising from an article, "Canada's Armament Mystery," written by Lieut.-Colonel George A. Drew and published in Maclean's Magazine, will begin Sept. 26 in Ottawa.

Opening early this week before Mr. Justice Henry Hague Davis, the enquiry was adjourned by the Commissioner for one week at the request of Hon. J. L. Ralston, Commission counsel, who explained that he was awaiting permission of the British Government to file certain correspondence exchanged between the War Office and the Dominion Department of Defence relating to the Bren gun.

Colonel Ralston also announced that chartered accountants had been working on the books of the John Inglis Company, the capital structure of which was discussed by Colonel Drew, and that he expected to have the report in a few days.

May Sit in Toronto

The enquiry is being held in the court room of the Transport Commission, in the Union Station. Suggestion by I. F. Hellmuth, associated with Colonel Drew as counsel for the MacLean Publishing Company, that the hearing might later be transferred to Toronto, whence numerous witnesses otherwise would have to travel to Ottawa, will be considered by the Commissioner.

The Inglis firm was represented by Aime Geoffrion, of Montreal, in association with J. C. McRuer, of Toronto.

I. F. Hellmuth and Colonel Drew each announced that in association with each other they appeared on behalf of The MacLean Publishing Company, publishers of Maclean's Magazine. Colonel Drew also announced that he had readily acceded to the suggestion of the Order-in-Council that he place all the information at his command with respect to the Bren contract before the Commission. However, in association with Maclean's he could not accept the Government's offer to pay fees of counsel acting with him.

Major J. E. Hahn, president of John Inglis Company, was accompanied by J. F. Lash, Toronto lawyer.

Behind counsel sat Hon. Ian Mackenzie, Minister of National Defence and Hugh J. Plaxton, M.P.

Major General L. R. LaFleche, Deputy Minister of National Defence, sat outside the enclosure. Arthur G. Slaght, M.P., was among those in the seats reserved for the public.

Colonel Drew requested that a statement issued to the press by Hon.

(Continued on page 2, col. 6)

Finds Combine In the Tobacco Trade Exists

Federal Commissioner's Report Names Imperial Tobacco Co.

NATION-WIDE SYSTEM

An unlawful combine dominated by Imperial Tobacco Co. and operating to maintain prices and curb competition, is declared to exist in the Canadian tobacco industry, in a report to the Government by F. A. McGregor, Commissioner of the Combines Investigation Act. The report was made public at Ottawa this week.

The report bears particularly on his investigation of a formal complaint, filed last February, against operation of the alleged combine in northern Alberta. The Commissioner points out, however, that his probe extended to other parts of Canada and "includes information secured with regard to similar operations in other districts in Canada."

Present indications are that the Commissioner's report and the evidence taken during his investigation will be referred to the Attorney-General of Alberta for such action as he deems necessary. This is in accordance with the procedure laid down in the Combines Act.

As a result of his investigation of tobacco products distribution and the conduct of hearings in Edmonton, Vancouver and Ottawa, the Commissioner's finding, with primary reference to conditions of the trade in Alberta, declares that:

"A combine within the meaning of the Combines Investigation Act exists in the distribution of tobacco products, and the Imperial Tobacco Co. of Canada, the Imperial Tobacco Sales Co. of Canada, and the Northern Alberta Tobacco and Confectionery Jobbers Association have been parties and privy to and have knowingly assisted in the formation and operation of this combine."

Other Manufacturers Affected

Effect of the combine is said to have not only limited the freedom of action of wholesalers and retailers, but to have also extended to tobacco manufacturers other than the Imperial Tobacco Co. Says the official summary of Mr. McGregor's report:

"So-called 'independent manufacturers' seeking to make any price reductions to consumers, through increasing the number of cigarettes in a package or adding premiums or merchandise to their products, are said to have found that unless they conform to the wishes of the jobbers, as expressed through the associations existing in the trade, the distribution of their products through jobbers is likely to be impeded."

The Commissioner finds that maintenance of agreements between tobacco jobbers is dependent on price agreements which Imperial Tobacco Co., through its sales organization, requires to be signed by each wholesaler or retailer to whom it sells. Under the terms of these latter agreements the Imperial Tobacco Co., it is stated, requires distributors to maintain not only the wholesale and retail prices fixed by the company, but also the prices set by each other tobacco manufacturer.

The company is alleged to enforce these requirements by refusing to permit goods of its manufacture to be sold by non-conforming distribu-

(Continued on page 2, col. 5)

War Profits Problem Ranked as Secondary

Chief Considerations Are Speed and Effectiveness, Say Industrialists

Ever since the last war there has been a strong public agitation for steps to obviate profiteering in the event of another conflict involving Canada. That feeling has been shared by all branches of Canadian society and has repeatedly found expression in Parliament.

But real threat of war over the world in recent weeks has forced realization that the paramount considerations are perfection, speed and volume of war supplies in a crisis; the cost of supplies, purely secondary.

The efforts made in 1914-18 to prevent excessive costs and profits were in the main successful after the evolutionary stages of war production had been passed. Such efforts would no doubt be initiated at an earlier stage and intensified in another war. But equally stepped up will be the insistence on rigid adherence to specifications and delivery schedules, and for tremendous output.

Stand of Government

In the House of Commons, Prime Minister King asserted the principle that "no profits should be made out of war." Earlier in the same debate, there had been a declaration by Hon. J. L. Ilsley, Minister of National Revenue, that if Canada were drawn into war "extraordinary profits" would undoubtedly be guarded against. The combination of the two statements suggests limitation rather than elimination of war profits, and avoidance of confiscatory socialization of war industries, with executives and labor paid on a basis similar to that of the armed forces.

The crux of the problem is that war profit does not necessarily mean excessive profit. Without outright confiscation and conscription of noncombatant as well as combatant con-

(Continued on page 2, col. 3)

Canadian Tube Not in Any Deal

From Our Own Correspondent

MONTREAL—Reports that control of Canadian Tube & Steel Products might change hands are denied by officials of the company, who state that no negotiations are in existence.

Canadian Tube is one of the more important iron and steel operators in the Montreal area, producing a wide variety of products. Its capital stock is closely held. The company, which also controls Canadian Rolling Mills & Colonial Wire Mfg. Co., has no bonded debt.

Lake Sulphite Pulp Plan Studied, but not Ready Yet

From Our Own Correspondent

MONTREAL.—Interest in the reorganization of Lake Sulphite Pulp Co. remains active, but no definite plan has been put forward for rehabilitation of the company. At the moment the matter is more or less dormant, but as soon as the international political situation settles down, it is likely that more active steps will be taken in formulating a plan.

Originally Lake Sulphite was formed for the purpose of manufacturing high-grade sulphite pulp. Before the plan was completed, arrangements were made to produce a rayon pulp. It was expenditures in this and other connections which brought about the downfall of the enterprise.

One group interested in the reorganization of the company is directing its efforts toward re-establishing the company solely as a rayon pulp producer. It is believed that this product offers greater possibilities than the high-grade book sulphite.

In order to put the company on its feet it will be necessary to raise about $6 millions of new capital. About half of this will be represented by first mortgage bonds which were created but never issued by the present company. The balance would be raised in the form of a junior security and to that end present security holders might have to make some sacrifices. However, plans are not yet sufficiently advanced to indicate just how the new money will be raised, or what concessions the present debenture or stock holders would be asked to make.

Herr Hitler

McColl Oil Co. Sales Hold Up

Decline in Sterling Assists Refunding of Bonds

From Our Own Correspondent

MONTREAL.—Volume of sales of McColl-Frontenac Oil Co. in the seven months ended August 31 was approximately the same as in the corresponding period of 1937.

No information is available as to earnings as the new management has not yet decided whether it will give out information regarding profits during the course of the fiscal year. However, it is probable profits have been maintained.

If operating earnings are maintained, profits in the current year will be higher. Not only will there be a saving in interest charges as a result of refunding of the company's 6% bonds, but executive salaries and directors' fees will be about $70,000 lower.

Refinancing Cost Down

Cost of refinancing the company's 6% first mortgage bonds will be somewhat less than expected as a result of the decline in sterling exchange. When notice was given that the 6% bonds would be redeemed on Oct. 1, the pound sterling was quoted at a premium of seven cents. At present it is selling at a discount of three cents.

Production of the Antilles Petroleum Co., the McColl-Frontenac subsidiary in Trinidad, continues at about 27,000 barrels of crude oil a month. At the present time the company is engaged in sinking the deepest test well in Trinidad.

Since the change in management a few months ago there has been no change in the operating policy of McColl-Frontenac.

Bread Prices in Montreal Cut One Cent by Bakeries

Prices of bread in the Montreal area were reduced one cent by major bread recently. Standard 1½-pound loaves delivered to the door will now cost nine and ten cents, compared with the former price of ten and eleven cents.

3% Import Tax Likely to Go

From Our Own Correspondent

OTTAWA. — While there remains considerable doubt as to how far Canada will go in lowering duties on specific products in the impending trade agreement with the United States, it is generally believed that the special 3% tax on all imports will certainly be modified if not eliminated. This levy affects all imports from the United States and other foreign countries and, by the time it reaches the consumer, it amounts to 4½ to 5%.

Its elimination would certainly be followed by substantial price reductions on imported goods. Importers and Canadian business generally have been forced to adopt a cautious attitude until official announcement is made regarding extent and date of any revision.

Central Europe Breathing Spell Assures Only Temporary Relief

Hitler's Colossal Circus Spotlighted by Financial Post Editor on Scene

By FLOYD S. CHALMERS, Editor, The Financial Post

NUREMBERG.—In this first letter from Germany there will be no politics. There are too many people who come to Germany or who go to Russia or some other country and within a few days attempt to write a final judgment of what is going on. But I have been in the New Germany for less than a week and my mind is a confused medley of singing boys and girls, and smiling, plump women in Bavarian costumes, and brown-shirted Nazis, black-coated S. S. men and grey soldiers in pickelhaubes.

Coming to this ancient walled city of Nuremberg when the Reich Party Congress is in session, in order to learn something about the Germany of Adolf Hitler, is like being thrown into the middle of the Atlantic Ocean in order to learn to swim.

Here the German people and their leaders have been meeting by the hundreds of thousands. Here their labor battalions have goose-stepped past the Fuehrer with spades on their shoulders. Here the community leaders have marched past him in torchlight procession. Here the S. A. and the S. S. troopers have had their parades (They are always parading. Whenever ten or twelve of them are gathered together they have a parade, singing as they march with the precision of a trained chorus). The women have paraded and have been thanked by their leader for their work in the home, on the farm, in the schools and hospitals, in domestic service. The Reichswehr has paraded and manoeuvred with its new and efficient mechanized equipment.

Under Shadow of Crisis

This was the first Party Congress dedicated to the Gross Deutschland that has grown out of the Anschluss with Austria. It met under the shadow of the Czech crisis. In their rooms in the leading Nuremberg hotel, Herr Hitler and his deputies have met with Konrad Henlein and with foreign diplomats to discuss the fate of the Sudeten Germans, perhaps the fate of Europe. But in the far-flung Congress halls, on the immense athletic and parade grounds there has been no hint of all that. For the throngs of people it has been a mass demonstration of the Nazi mind and the Nazi world. The old, mossy walls and the red-tiled roofs of the city of Walter Sachs and the Meistersingers have echoed not only to the tramp of marching feet but to the "Sieg Heil" and the "Heil Hitler" of a million and a half voices.

The contrasts between the old and the new in Nuremberg bespeak the contrasts between the old, quiet, carefree, easy-going Germany of pre-war days and the new Germany where every man and every woman is disciplined to work for the state as the leader wills.

Take the old battlements of the ancient castle. Some of them date back to the 11th century. What banners have floated in the breezes of so many centuries? Today these walls are covered with the brilliant red, swastika-bedecked bunting of the Nazi regime. The flags and pennons, the shields and the golden eagles must be numbered by the million.

Striking Contrasts

Greater yet are the contrasts between the old city and the new Congress city which Herr Hitler's archi-

(Continued on page 12, col. 3)

Standard Steel to Pay Last of Pref. Arrears

Arrears of dividends on the preference stock of Standard Steel Construction Co. are wiped out by the latest extra payment. On Oct. 1, 1938, an extra of 75 cents a share is being paid to shareholders of record Sept. 24, along with the regular payment of the same amount.

Total payment on this stock during the past year has totalled $6 a share, including the latest declaration.

Czech Partition and Political Sterilization Seen Precedent for New German Demands to Round Out Hitler's Territorial Aims

In the following cable Floyd S. Chalmers, editor of The Financial Post, analyzes the situation in Europe on the eve of the expected partition of Czechoslovakia. For the past month Mr. Chalmers has been in Britain and on the continent studying the situation. He attended the Nuremberg conference, heard Hitler's long awaited speech. He is now in Geneva where the League of Nations is in session.

By FLOYD S. CHALMERS
Editor, The Financial Post.

GENEVA.—Should the Czechs accept the proposed partition of their country, Europe will get another breathing spell but perhaps not a prolonged one.

Hitler is definitely intent on redeeming all the German people in neighboring European states. First it will be Memel, then the Danzig corridor, then the colonies.

F. S. CHALMERS

Hitler will undoubtedly follow any present bloodless victory with new demands. My Berlin informants, however, insist there will be no invasion of any territory not predominantly German, as this would be contrary to Hitler's race philosophy.

Germany's economic gain from her latest victory is not great but it strengthens her economic domination over southeastern Europe and gives new stimulus to her own economy, which has been showing signs of strain.

The victory will be a tremendous help to Hitler's prestige at home where discontent has been growing because of increasing taxes, poor food and mounting restrictions on personal freedom.

I found the German private citizens desperately afraid of war but rigid control made public expression of these fears impossible. Throughout the crisis it has been the consistent policy of Chamberlain to avoid war, whatever the cost, while the French sought to escape their obligations to Czechoslovakia.

British Exasperated

Even before the Nuremberg conference there were indications that British statesmen were losing patience with the stand of the Czechs and insisting that they must accept any reasonable compromise plan. In some quarters I was told that Czech leaders were deliberately trying to provoke conflict at this time knowing full well that the Germans would be roundly defeated and that they would be ensured freedom from aggression.

There is a growing opinion in Europe that Britain and France must eventually challenge Hitler. But the same opinion holds that the Sudeten was not a good issue for conflict as the weight of justification rested on the German side.

It was Hitler's threatening, his blackmail methods, that made negotiation difficult even for those who recognized the justice in the German claims.

While Europe is relieved that the crisis seems to be passing without war, British and French prestige in the smaller continental countries has been seriously injured.

No Faith in Guarantee

The Czechs have no faith in any neutrality guarantee.

Roumania, Hungary and Jugoslavia now feel that it is absolutely necessary to play along with Germany, as allied aid is now considered uncertain in an emergency.

Temporary peace has probably been bought but what the final price will be remains unknown.

I observed the feverish war preparations in Germany. Throughout the tremendous activity it was quite apparent that the German people know nothing of world news and still reverence the deified Hitler. He controls the situation absolutely.

But this mysterious, brooding figure at Berchtesgaden gives no clue, even to the experts in the foreign chancellories, as to his real intentions. And they do not know whether or not they can turn to his own autobiography for the answers.

Crisis Expected Abroad Sunday

From Our Own Correspondent

LONDON.—Current outlook in the tense European situation is regarded as grave. Critical development of the present alignment is feared during the coming week end. The attitude of Hitler in increasing his demands on Czechoslovakia is seen as the most serious difficulty. Should Sunday be passed without a new crisis it is expected that the situation will ease, though there is no confidence the relief will be more than temporary.

Air Transport Service Begun

Trans-Canada Commences Handling Express and Mail

With inauguration this week of air express service between Winnipeg and Vancouver, start of work on a large hangar and workshop building at Malton, Toronto suburb; and announcement of Winnipeg-Vancouver air mail service Oct. 1, Trans-Canada Air Lines made definite headway toward establishing transcontinental air transport operations.

The air mail service will handle first-class revenue mail only. Letters mailed in Winnipeg up to 11 p.m. will be delivered in Vancouver early next morning. The rate will be six cents for the first ounce and five cents for each succeeding ounce.

Express System

The express service, inaugurated Sept. 19, is serving Winnipeg, Regina, Lethbridge and Vancouver, and is dovetailed with rail express service to off-airline points in the Winnipeg-Vancouver territory. Sample rates are as follows:

Air Express Rates from Winnipeg

To—	1 lb.	5 lbs.	25 lbs.	Over 25 lbs.
Regina	$1	$1.28	$3	*12c
Lethbridge .	1	1.92	7	*28c
Vancouver .	1	2.72	12	*48c

*Per lb.

The service is being made available in collaboration with Canadian National Railways express department, which will handle such matters as pick-up and delivery, shipment between air line points and those served only by rail, and collection of charges.

Negotiations are at present under way between officials of the Canadian National and Canadian Pacific express organizations for handling of air express shipments to be consigned or delivered through the Canadian Pacific Express Co. At a number of points in Canada, express shipping facilities are maintained only by Canadian Pacific.

Aluminum Co. Adds to Plant

Addition to Handle Strong Alloys for Airplane Manufacture

From Our Own Correspondent

MONTREAL.—Aluminum Co. of Canada, operating subsidiary of Aluminium Ltd., has completed plans for the construction of an addition to its Toronto works for the fabrication of "strong alloys." These alloys, some of which will be prepared in the Toronto plant, will be used in the fabrication of materials for airplane manufacture, buses, railway cars, and other items where the need of a strong lightweight material is required.

A similar operation was recently carried out at Shawinigan Falls where the company operates another fabricating plant. In neither case is the company prepared at this time to give details as to the amount of money involved in the additions or in the type of work to be carried out.

Highlights of the Week

From first hand contact with C. George McCullagh, dynamic young publisher of the Toronto Globe and Mail, The Financial Post's London columnist, the famous Atticus, concludes that he is destined to be "a political leader of the Dominion." Impressions gained during Atticus's holiday in Canada are reported in *London Calling—p. 3.*

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Like doctors and priests, bankers have always preserved strictest secrecy regarding confidential aspects of their customers' business. But there may be times when the curb of professional ethics is outweighed by considerations of public interest or the compulsion of law.
Bank Secrets and Politics—p. 11.

What does war do to stocks and bonds? In 1914-15, stock values fell sharply after the exchanges reopened, then rose again. But there are striking differences in the situation today and that of 20 years ago, and these are reviewed in
Looking Back at 1914—p. 4.

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MEN'S SHOP

Our Domestic
TOPCOATS
at $25.00 and $35.00
Invite Your Inspection

It's a grand looking group of "home bred" Fall topcoats the Men's Shop has assembled this year.

Every coat styled and finished with the casual distinction which hall marks all Men's Shop attire. Woollen fabrics in a wealth of attractive patterns. Sizes 36 to 44.

COME IN AND LOOK THEM OVER.
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OUT-OF-TOWN ORDERS ADDRESS:
MEN'S SHOP
BAY STREET SECTION

EATON'S - COLLEGE STREET

BEFORE YOU INSURE – CONSULT
CONFEDERATION LIFE
ASSOCIATION
HEAD OFFICE TORONTO

To You, he's the FAMILY BUTCHER—
To the Bank, he's BIG BUSINESS

FOR EXAMPLE, of the 86,600 borrowers on our books in Canada at end of our 1937 business year, 61,728 had loans for $500 and less. In other words nearly 70 per cent of these clients were what might be termed "small" borrowers—owners of businesses, farmers, and ordinary men and women requiring money for legitimate personal needs.

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Small loans are *Big Business* to this Bank, which desires at all times to meet the legitimate credit needs of business and private individuals. Your enquiries are invited.

In twelve months
10,500,000 individual deposits were accepted from customers and 40,000,000 cheques cashed, entered, checked and rechecked by The Royal Bank alone.

THE ROYAL BANK
OF CANADA

OVER 600 BRANCHES IN ALL PARTS OF CANADA

The Nation's Business

(Continued from page 1)

Transport, who has been the driving force behind the present organization and plan. Associated with him and immediately responsible for the success or failure of the company itself is Philip Johnson—top-flight U.S. aircraft executive whom Mr. Howe persuaded to come to Canada as vice-president in charge of operations to inaugurate this important enterprise.

The aim of these men has been to give Canada an air service of which it can be proud and one which will stand on its own legs financially once it is established.

To ensure this it would seem the part of wisdom for the Dominion Government to enlarge the scope and policy of Trans-Canada Air Lines as rapidly as possible so as to ensure the maximum amount of private enterprise in the operation of this system.

War Profits Problem

(Continued from page 1)

tributors to the conduct of war, some form of compensation for service rendered must be devised.

To an even greater extent than in 1914 industry would be mobilized for war. The basis on which industry would be paid for war services is therefore of vital importance to Canadian business.

Views of Industrialists

Parallels from 1914 may be far from exact. But to get some indication of what leaders in industry considered likely to happen in the event of war, The Financial Post consulted men who were associated with the drive for munitions in the last war.

This is a cross-section of their views:

1. The drive for war supplies will be geared to much higher pitch. To get production at the necessary speed the profits motive will be essential, but the extent of profit will be more rigidly held from the outset to a level governed by the obligations of public service in a national emergency.

2. Nationalization or commandeering of munition industries would be utterly impracticable in the sense of outright assumption of control and management of needed plants, or compulsory conversion to war supply production for nominal compensation. War supplies once meant guns, ammunition, horses, uniforms, boots and food. But as armies have become mechanized, war supplies now mean the output or part of the output of every industry.

Split in Opinion

3. There is some divergence of opinion as to the general method that would or should be followed in organizing Canadian industry on the most efficient and equitable basis for war operations. The chief conflicting views may be summarized as follows:

(a) That a desirable if not inevitable plan will be virtual conscription of industrial assets, executive talent and labor, with compensation for any net losses on account of expansion of facilities. Otherwise costs and profits would be controlled to assure only a modest normal return, in no case exceeding a reasonable average of firm's earnings during the three years before a war.

(b) That there is no need for anything more than an intensification of the centralized control of production exercised 20 years ago, and that the main danger now is not one of excessive profit but lack of co-ordinated, comprehensive plans, of provision for the necessary supervisory organization, and, above all, of sufficiently qualified experienced personnel among the younger generation of industrial executives.

Danger of Ineffectiveness

In the view of the second group, the vital phase to be considered is that Canada should be effective in tuning its industrial machine to war purposes. The question of inordinate profit is a minor threat easy of solution, it is felt, in comparison with the problem of assuring that Canada shall be a fully effective instrument in carrying out any demands upon her.

In the same quarters it is contended that generally speaking, the war supply producers of the last war were unfairly criticized on the profit question. Profits made were not abnormal, it is argued, in the light of volume of production achieved, the precision and special nature of the work done, and the emergent necessity for speed.

Production was carried out according to most exacting specifications at prices set by the buyer. Losses from failure to conform to these specifications within the price limits stipulated were as frequent as big profits, if not more so.

The Financial Post enquiries indicated that war profiteering is just as repugnant to the responsible industrialist as to the preacher, the professor or the average man.

Incentive Needed

But to swing a factory suddenly from one type of work to another, to dislocate and expand business completely at terrific expense requires the assurance that costs will be met and reasonable compensation given for the contribution of capital assets, executive direction and labor. Otherwise essential speed, continuity and co-ordination, and perfection of product will be sacrificed.

Costs of labor and all supplies, past experience has demonstrated, will climb rapidly in the event of war. To undertake the manufacture of war materials without allowing for the spread in prices would be just as ridiculous and in the long run just as ineffective as the politician who seeks election on a platform he knows he cannot put into practice.

To estimate costs for an emergency programme in peacetime is difficult and requires a more liberal allowance to ensure any profit. In war time this allowance has to be greater. Or it has to be covered by a cost-plus contract system which allows for eventualities.

Slurs Resented

Industry is eager to be patriotic but industry still resents the slurs of profiteering cast after the last war. Undoubtedly there were some scandals. But by the time that Canada's industry had returned to a peace-time basis and the costs of the diversion into emergency production had been written off, much of the so-called profiteering is said to have vanished.

The Government some time ago set up an inter-department committee at Ottawa to survey the capacity of Canadian industry for prompt, efficient war supply, and devise means of avoiding profiteering in the event of war. The committee has canvassed potentialities and difficulties and is believed to have framed regulations for mobilization of war supply sources on a cost-plus-limited-profit basis.

It has had the advantage of the lessons learned by the Imperial Munitions Board which before the end of the last war had established a definite unit cost system in Canada on which industry could operate. Industry was not only subjected to rigid discipline as to performance and precision but was also closely checked as to production cost and profit. When it was determined that costs had fallen or left too great a spread between cost and price, prices were revised downward.

Buyer Sets Prices

It is not widely remembered that the fixed price structure under which war industries of 1914-18 operated was not erected by the sellers, but by the Board; and that the Board persistently whittled down price levels on a basis of ascertained cost plus what was deemed reasonable compensation for services.

The present committee has made no public pronouncement though it is believed to have investigated the question of special taxes as a means of curbing profiteering. In the last war the excess profits tax failed when it was added to the cost of production and passed along to the consumer. The comparatively recent attempt in Great Britain to levy a special tax on rearmament profits failed before it started.

The whole question represents a problem that no country has yet solved satisfactorily. For in the sudden emergency of war, today as in 1914, production comes first and costs are something to worry about later.

Brokers Suspended

The registration of three firms as general brokers has been suspended, according to information released by the Ontario Securities Commission. The three firms concerned are Northland Securities Ltd., whose registration was suspended on Sept. 1, and R. P. Clarke & Co. Ltd., and John Daniel & Son Ltd., both of which were suspended on Sept. 2.

YOU'LL DISCOVER THE JOY
OF ALL-DAY
FACE FRESHNESS
WHEN YOU INVEST IN A
ROLLS RAZOR
STROPS ITSELF HONES ITSELF PAYS FOR ITSELF
$6.95 AND UP ROLLS SHAVING BOWL $1.00 REFILLS 60c

HEADS MANAGERS

Recently elected head of the Building Owners and Managers Association of Ontario is George Vale, service manager of the Trusts & Guarantee Co., Toronto.

Combine Found In Tobacco Trade

(Continued from page 1)

tors. Asserting that agreements of this nature have been put into effect by the company throughout the Dominion, the Commissioner regards the provisions as:

"A highly unwarranted regulation of the distribution of products of other manufacturers, with the effect of substantially eliminating price competition in the wholesale and retail distribution of practically all tobacco products throughout Canada."

Independence Curbed

Possible independent action by other manufacturers is greatly limited, the Commissioner believes, by the effect of the price agreements of the Imperial Tobacco Co. in conjunction with the various jobbers' selling arrangements. The report comments:

"When the trading position of a corporate organization supplying three quarters of the Canadian tobacco market is buttressed by a sweeping agreement respecting not only its own products but those of other manufacturers as well, with penalties involving the cutting off of supplies of Imperial goods for breaches of the agreement, it is clear that the distributor, either jobber or retailer, has little option but to conform to the trading policies of the dominant company. . . .

"The ordinary individual distributor buying from the Imperial Tobacco Co. must conduct his business, in so far as tobacco prices are concerned, on the basis of rules laid down in his written agreement with the Imperial company. The injury to the majority of efficient distributors and to the general public from a system which deprives consumers of price reductions arising from price competition among distributors, on the basis of ordinary differences and improvements in operating efficiencies, is equally evident.

"This is particularly the case when coupled with an elaborately organized programme which severely restricts the opportunities of independent manufacturers for building up their business by establishing lower prices to the public on such goods as cigarettes of their own manufacture, in such price competition as they might otherwise be able to offer to a company manufacturing the greater part of the goods supplied by the entire tobacco manufacturing industry."

Dealers Satisfied

Noting that dealers generally are said to be satisfied with the advantage of having guaranteed gross profit margins and elimination of price competition, the report observes:

"It is not sufficient justification for a price or trade combination policy to claim that it is satisfactory alike to manufacturers and wholesale distributors who shape the policy and administer it in their own interests. The interests of the ultimate buyer of the product must be considered. Under the system now instituted in the tobacco trade the consumer is deprived of that element in competition which is his most effective safeguard, and is exposed to all the costly elements which are characteristic of non-price competition. . . .

"The suppression of competition which has been effected in this industry is in itself against the interest of the public, both in its hampering effect on reasonable freedom of enterprise and in the longer-term economic loss to the community arising from such private monopolistic regulation of an important industry."

The Commissioner notes that output of tobacco products in Canada increased largely during 1937 and during the present year over the level reached in 1936, when total factory value plus excise amounted to $73.3 millions. He cites an estimate that there are 60,000 retail outlets for tobacco products throughout Canada.

Control of Imperial Tobacco Co. and its various subsidiaries is held by British-American Tobacco Co., of London, Eng. Shares of the Imperial concern are also held by investors in Canada, the United States and Great Britain, and are traded on stock exchanges in these countries.

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Bren Hearings Start Sept. 26

(Continued from page 1)

Ian Mackenzie also be filed. Colonel Ralston undertook to do this, together with all other statements made subsequent to publication of the Maclean article by the Department of Defence, the Minister of Defence and by Colonel Drew.

Col. Ralston informed the Commissioner that the files at the Defence Department had revealed letters between the War Office and Ottawa respecting the Bren contract. They were relevant to the enquiry. Counsel for the Inglis firm and Col. Drew requested the right to see the letters. Permission would have to be secured, Col. Ralston said, but counsel would have no reason for complaint, after London had been heard from.

It was agreed that Mr. Justice Davis should first examine all the documents and correspondence to safeguard the public interest. This action, Colonel Ralston said, would be in line with the policy adopted at the time of the shell enquiry which took place in 1917.

Mr. Geoffrion suggested that during the necessary adjournment the Commission should go to Toronto and visit the Inglis plant. Commissioner Davis did not think this would help any at this time.

Mr. Hellmuth suggested that the contract between the British Government and the Inglis Company for Bren guns should be included in the exhibits to be tabled.

Colonel Ralston was agreeable. He asked if the contract could be obtained from the Inglis Company.

Mr. Geoffrion said the Inglis Company was not free to disclose its contract without permission from the British Government. He suggested the Commission endorse the Inglis Company's application to the British Government to give out the terms of the contract.

Colonel Ralston was not sure the Government should be asked to request information in the interests of a private party.

Mr. Geoffrion disagreed. It was in the public interest.

Mr. Justice Davis upheld Colonel Ralston.

Canada House Correspondence

Colonel Drew then requested a copy of all correspondence between Canada House, London, Hon. Ian Mackenzie, Major General LaFleche, Major Hahn, any member of the Plaxton family, the Czechoslovakian Government, and the Australian Government, and the Bren Company respecting the Bren gun.

Judge Davis ruled that Colonel Ralston would have to take the request into consideration.

Colonel Drew then requested correspondence in the Defence Department about the Bren gun prior to 1935.

Colonel Ralston intimated that any such correspondence would be produced.

International Petroleum August Production Gains

Crude oil production from the South American fields of International Petroleum Co. increased in August to an average of 95,607 barrels daily compared with 94,135 barrels daily average in July of this year and 90,498 barrels in August, 1937.

Crude oil production from Peru has not been making quite as favorable a showing as has that from Colombia. August production from Peru was 1,111,339 barrels against 1,115,046 barrels in July and 1,246,306 barrels in August, 1937. From Colombia 1,852,467 barrels were obtained in August, 1938, compared with 1,803,143 barrels in July and 1,559,146 barrels in August, 1937.

Cumulative production figures for the first two months of the current year follow:

Monthly Crude Oil Production

	1938 bbls.	1937 bbls.
July	2,918,189	2,926,975
August	2,963,806	2,805,452
	5,881,995	5,732,427

CANADIAN STOCK INVESTMENTS

Individual situations of interest are periodically reviewed by this firm. No obligation will be incurred by requesting that these reviews be mailed to you as issued.

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Members Montreal Stock Exchange
Montreal Curb Market
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC
SHERBROOKE
39

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Preston, Ont.	Sept.	J. M. Scott & Co.	3½%	10 ins.	$34,000	100.73	....
Geraldton, Ont	Sept.	Lawrence Smith & Co.	5%	10 yr. ser.	10,000	97.50	....
Twp. of Tisdale, Ont.	Sept.	Harris, MacKeen, Goss & Co.	4½%	10 ins.	34,852	....	....
Fort William Sanatorium	Sept.	Dominion Securities	4½%	15 ins.	41,666	....	....
St. Catharines	Sept.	Wood Gundy & Co.	3½%	1-15	15,000	100.83	3.40%
			3½%	1-20	40,000		
Dominion—							
Canada Treasury Bills	Sept.			Dec. 15	25,000,000	99.848	0.608%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Great Eastern Oil & Import Co.	Sept.	B. D. Parsons & Co.	6%	1953	$70,000	*100	6%

*Offering price.

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Whatever your plans for renovating your property, consult our local manager about a loan under the Home Improvement Plan. Ask for a copy of our folder on Modernization Loans.

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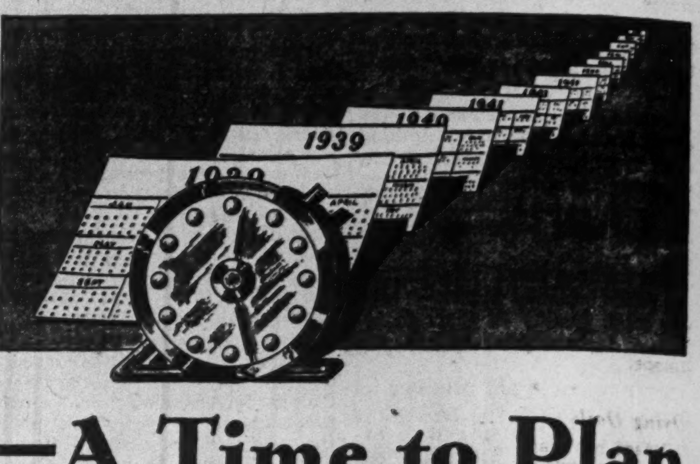
ESTABLISHED 1817
"a bank where small accounts are welcome"

A TIME TO BUILD

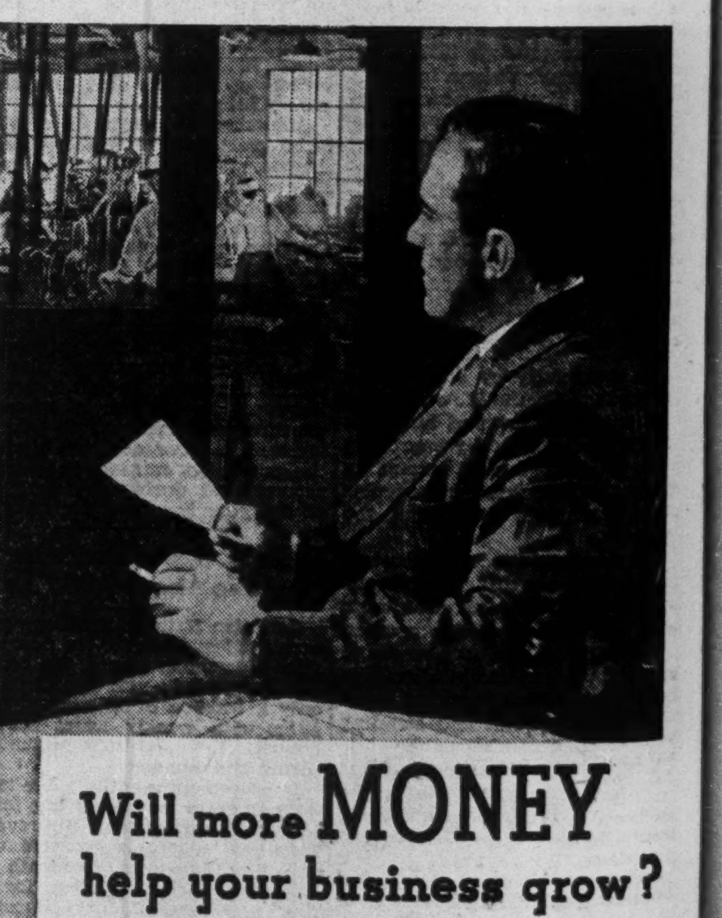


—A Time to Plan

IT takes years of striving to accumulate an estate. Isn't it worth a few minutes of your time to arrange for its conservation?

Whatever your estate problems, take the little time it will require to consult your lawyer and have a will prepared that properly expresses your wishes. At the same time we suggest that you consider the many advantages of naming this experienced trust institution as your executor and trustee. We will gladly explain our services at your convenience.

Crown Trust Company
Executors :: Trustees :: Financial Agents
MONTREAL 393 St. James Street · TORONTO 80 King Street West
Let us serve you and your family



Will more MONEY help your business grow?

Have you a new development in mind? Will a rearrangement of your operations make them more profitable? Have you a new product to be marketed? Do not let a lack of ready money restrict your progress. A Loan from this Bank may take care of your requirements. In addition to the money this Bank has to lend, it places its experience and judgment at your service.

Make this your Bank and use it. Consult the Manager of our nearest Branch.

THE DOMINION BANK
ESTABLISHED 1871
C. H. CARLISLE, *President*
ROBERT RAE, *General Manager*
Capital Paid Up $7,000,000
Reserve Fund and Undivided Profits $7,770,815

London Calling

by Atticus

Columnist Holidaying in Canada Sees In George McCullagh Future Leader

I AM writing this on the verandah of a summer house set in the woods on the shores of the Lake of Bays in Canada. Through the trees a couple of hundred yards away one catches the mountain blue of the water. Once a day a river steamer delivers letters and newspapers at such times as suits the Captain. Life is improvised in this celestial region and a man plays many parts.

There is one resident upon this island however, whose imperturbability is proof against all of life's vexations. He is a Red Indian, deep of voice, slow of speech, and dignified of bearing. Perhaps he feels like the former owner of a great estate privileged to stay on as a tenant until his death. It is sad to see the last survivors of a race which had a dignity and even a sense of beauty peculiarly its own. I feel that Earl Baldwin would enjoy a talk with my Indian while Sir Archibald Sinclair would experience a sympathetic understanding.

It is good to live for a few days in a part of the world which can never change. These endless lakes and this rocky soil can never be harnessed to the commercial demands of civilization. Instead they will remain for all time a sanctuary from the world, a place where the nerves can find peace, where sunrise and dusk and the ruffling wind on the waters becomes part of one's existence. Nor does it lack variety of moods. When I began these notes the waters were as blue as the skies. Now they are grey, thunder is growling in the north, and the rain is trickling through the leaves.

Alas! The newspapers have arrived and once more our spirits will be depressed by the news from Europe.

• • •

Dying Daily

Canada has many excellent newspapers, but for understandable purposes of economy most of their European news comes from American sources. Apparently in the U. S. A. only good news is bad news. We die daily over here. On arrival at Quebec we learned that the new great war would break out on August 16. No longer do American foreign correspondents indulge in such vague expressions as "any time now" or "before the summer is out." Like racing tipsters, they boldly give their selections and, again like racing tipsters, are quite unabashed when their prognostications are proved wrong.

Viscount Greenwood, Chief Secretary of Ireland during "the trouble," had to submit on landing to a barrage of questions from reporters wanting to know all about the coming war. My own experience was the same. Unfortunately, although we represented both Houses of Parliament, neither of us was able to add to the sum total of human knowledge on the subject. In the midst of so much anxiety it was a relief to see the cheery face of young Alistair Buchan, the son of Lord Tweedsmuir, who came down from the Citadel (the summer residence of the Governor-General) to greet us. Alistair has still another year at Oxford, but he has been spending his vacation on an Alberta ranch and is full of the vitality of the West.

• • •

A Coming Man

The newspaper situation in Canada is extremely interesting. New men are emerging who will play a powerful part in the future of the Dominion, and the most important of these personalities is the 35-year-old George McCullagh, of Toronto. This young man is worth the close scrutiny of those of us who live in the United Kingdom for he will almost certainly become a political leader of the Dominion. His story is a colorful one.

When he was a mining broker his activities brought him into contact with a rich Englishman named William H. Wright. Mr. Wright, once a retail butcher in England, emigrated to Canada and eventually kept a shop in an Ontario mining district. In one of the periodical gold rushes he took his chance with other prospectors, and, facing the gamble of the game, staked various claims.

Then in 1914 came the war. Mr. Wright had fought in the Boer war, and saw no reason why he should not fight again. He enlisted as a private in an infantry battalion, and went to the Front. Meantime, the Canadian Government had decreed that owners of claims who enlisted would not have to do the necessary development work by which claims must be held.

When Private Wright returned a syndicate offered him shares in return for his holdings. For a time the shares hung fire and many people sold them. Mr. Wright, who had no particular interest in money, did nothing about them. Then fabulous veins of gold were discovered on the Wright properties. The former butcher became a multi-millionaire. He thought the whole thing absurd, and continued to live on next to nothing a year.

• • •

For the Empire

Thereupon George McCullagh bore down on him. "You are a Britisher," he said, "and you fought two wars for the Empire. Come on now and do some fighting for the Empire in peace time. Let us create a newspaper which is independent of profits or Government patronage or party pressure. The Empire is the biggest thing in the world and you and I can do something for it."

Mr. Wright thought it a good idea. They purchased the Liberal "Globe" of Toronto, and then bought the Conservative "Mail and Empire." While Canada gasped in astonishment the audacious youth merged the two and said: "The 'Globe and Mail' will be independent." Next they built the "Wright Building," one of the most modern newspaper headquarters in the world.

I lunched with McCullagh at his office. His vitality is enormous and language pours from him in picturesque unusual phrases that are at times worthy of Lincoln. His vision of the British Empire as an agency for good would shame our tepid Imperialists at home. "Tell your people," he said, "that if England goes to war the Canadians will come to her aid if they have to swim to get there."

• • •

The President's Visit

We have not lacked excitement over here. President Roosevelt crossed the border recently to open a new peace bridge at Kingston joining the U. S. A. with Canada. This will mean an immense increase by motor car in the tourist traffic from the South. The Americans are making Canada their playground in increasing numbers. Last year the revenue from tourists reaching Canada totalled more than 60 million pounds. As this amounts to nearly £6 per inhabitant in the Dominion, its importance to the national budget can be easily understood.

Mr. Roosevelt is as much liked by the Canadians as he is condemned by the American businessmen one meets. I played in a golfing four-ball recently which included an American judge. On every tee he made a speech denouncing the President and then regretted that the ball was not his head. It took us nearly four hours to complete the round and I think the judge went round in 50,000 words.

It is one of the mysteries of modern times but of the many Americans whom I have met on this trip not one has spoken civilly of the President. Yet it seemed to me that his speech at Kingston possessed breadth, humanitarianism and idealism. Nor do I think it without significance that in declaring America's determination to defend, if necessary, the territorial integrity of Canada he did not do so merely on the grounds of neighborliness but because Canada was a partner in the British Commonwealth of Nations. It may be that even many swallows do not make a summer, but I have met no American on this holiday who has not spoken of Britain in terms of friendship and respect.

Mr. Roosevelt's visit gave the Ontario Premier, Mr. Hepburn, an opportunity for self-expression. Mr. Hepburn is a transatlantic edition of Arnold Bennett's "The Card." His policy is to do the unusual at all times. Although the Peace Bridge lies in Ontario, he sent word regretting that his other engagements would not permit his being present to receive the President. He followed this up by writing a vigorous letter to the Dominion Premier, Mr. Macenzie King, warning him that Ontario would take no part in any Canadian-American development of the St. Lawrence waterways as outlined in the President's speech.

• • •

Remarkable Record

There is a slight stir on the island. Sir Stewart Duke-Elder and his pretty wife have arrived. Sir Stewart looks strangely boyish for one who has won such eminence in the medical world as an eye specialist. In his determination to "go native" he has adopted a style in sports shirts which suggests the Spanish bull-ring. He is the guest of Dr. McCullough a well-known eye specialist of Toronto. As Lady Duke-Elder is also a specialist of the same kind, I have no doubt that the party is a most congenial one.

Sir Stewart Duke-Elder is only 40. His practice in London as an oculist-surgeon did not begin till about 12 years ago. In that time he has built up a reputation that is more than national; he was knighted five years ago, and he is oculist-surgeon to King George VI as he was to his predecessor. It is a remarkable record.

• • •

Other Visitors

Now I must begin preparations for my retreat from this idyllic island. Lord Stanley has reached Toronto, and is to be the guest of honor at the inaugural luncheon for the Canadian National Exhibition (the largest permanent exhibition in the world), which he is opening. "Atticus" has been duly invited and must give what support lies in his power to his distinguished colleague from Westminster.

The Secretary of State for the Dominions will find a most responsive and generous audience. The capacity of Americans and Canadians for listening to speeches is quite amazing. Perhaps it is a remnant of the frontier civilization of other days, when the arrival of a stranger was an event.

• • •

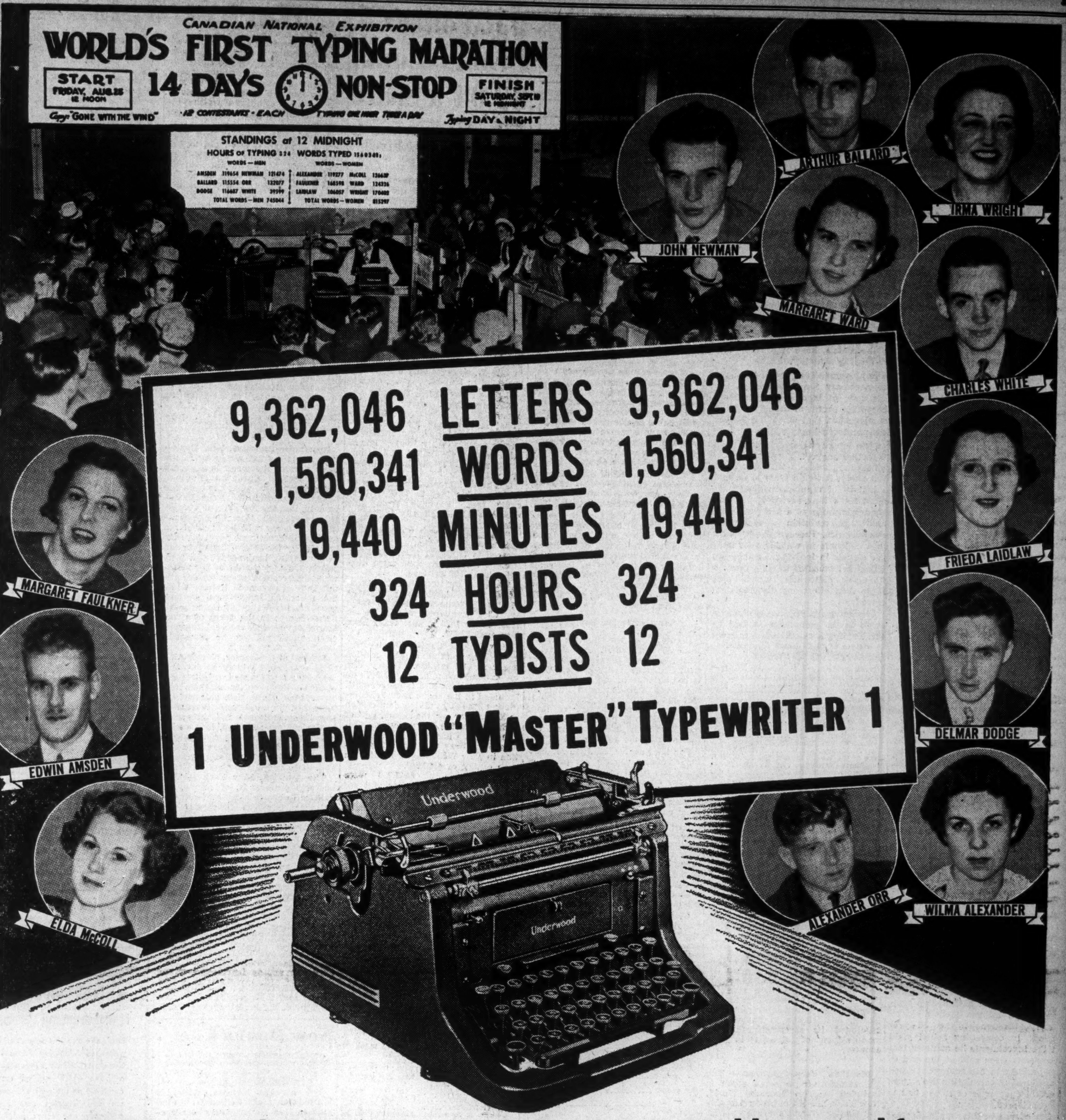
War Postponed

The newspapers have arrived. The war which was to have broken out on August 16 has now been postponed. The rain has ceased to trickle through the leaves and is splashing furiously. The violence of the storm is so intense that the whole lake is like a fountain as the waters are lashed by the driving rain. The thunder reverberates from shore to shore, and it is quite easy to see that my friend the Red Indian is right in his age-long belief that the storm god is angry.

London seems a long way off. The feuds and fears of Europe appear a little ridiculous from this distance Many hundreds of miles north from here Canadian adventurers are creating a new Arctic Empire of vast mineral wealth. The airplane is the medium of physical contact with the outside world just as the radio is with the spiritual. Once a week relatives of those who are opening up this new territory are allowed to speak into the microphone and send messages. The largest radium mine in existence is there and is sending its healing touch to all parts of the world.

Lord Tweedsmuir has called it the "clean antiseptic north." Heroism and endurance there are as common as kindliness and unselfishness. Man, when he faces nature in all its majesty, is not puny. To read of this new world of the Arctic day by day and then contrast it with the wretched reports of Jew-baiting, regimented oppression, and threats of war from Europe is to feel at the same moment admiration and shame for the human race.

It has stopped raining and with a preposterous suddenness. The lake is a Mediterranean blue now. The good steamer Iroquois of some 200 tons is coming in to the island with all the deliberateness of the Queen Mary entering New York harbor. The American judge is off for a game of golf with three friends. All is still save the single word "Roosevelt" as the judge's voice floats back through the trees.



9,362,046 LETTERS 9,362,046
1,560,341 WORDS 1,560,341
19,440 MINUTES 19,440
324 HOURS 324
12 TYPISTS 12
1 UNDERWOOD "MASTER" TYPEWRITER 1

Underwood "MASTER" Typewriter Sets World's Record for Durability, Speed, Accuracy and Enduring Efficiency at CANADIAN NATIONAL EXHIBITION TYPING MARATHON

TWELVE typical typists (six men and six women—all novices except one Canadian Professional Champion and one Amateur Champion) have just completed the most spectacular demonstration of a typewriter's efficiency that the world has ever seen.

Hour after hour, for 324 hours, or 19,440 minutes, these typists' fingers flashed through the typing of the 420,657 word novel "Gone With the Wind". They typed, actually, 1,560,341 words or 9,362,046 letters. The only pause in the 324 hours occurred when operators switched and ribbons were changed.

Nothing comparable to this gruelling test of a typewriter's durability has ever been seen before. Naught but the Underwood "Master" typewriter could have stood up under it. The keys struck the platen with a quiet smooth rhythm equalled only by the soft purr of a perfectly tuned motor.

Of the 100,000 people who watched this Typing Marathon, hundreds came back time and time again and waited, expectantly perhaps, to see whether machine or operators would falter. But no; the flashing fingers went on and on and on, and the Underwood "Master" typewriter responded as if it were human and knew what was expected of it and dare not fail. Not a glare showed on the smooth, rounded, dull finished keys; not a finger nail broke to halt the rhythm.

Obviously the twelve typists had different touch. Nevertheless, because of the Dual Touch Tuning System (which is exclusive to the Underwood) the flexibility of action in response to each typist's touch was instant and perfect.

Moreover, despite the dust raised by the multitudes of tramping feet, not a particle of that dust got into the mechanism of the Underwood "Master" to halt its speed or impair its efficiency. The Streamlined Sealed Action Dust-Proof frame with its enclosed back which is the outstanding improvement in the new Underwood "Master" prevented it.

Since this Underwood "Master", taken from stock, stood up under such a phenomenal test of its durability and efficiency at the Exhibition, think what an Underwood "Master" will do, under normal conditions, in *your* office.

The new Underwood "Master" with its streamlined Sealed Action Dust-Proof frame and its Dual Touch Tuning mechanism is the greatest contribution to the art of typewriter manufacturing since Underwood perfected the first visible writing typewriter over 40 years ago.

Upon request, we shall be glad to place an Underwood "Master" (on demonstration) in your office.

UNDERWOOD ELLIOTT FISHER LIMITED, 135 Victoria Street, and 279 Bay Street, Toronto, Phone Elgin 7431. J.J. Seitz, President, J. L. Seitz, Vice-President. Branches in all Canadian cities.

The Greatest Advance in Typewriter Manufacturing Since Underwood Perfected *Visible* Writing

THE NEW
Underwood "Master" Typewriter

Investment Trends

Stocks Continue Moving In Sympathy With News

Perhaps Still Too Soon to Be Assured Situation Has Cleared—Comparing Stock and Bond Returns

Stocks have shown once again in the past week that it has been changes in sentiment regarding the likelihood of a general war that have governed prices.

With hopes of avoiding a conflict rising, stocks have been stronger in the past few days. It is just as likely that they would react swiftly to any snags in negotiations for a peaceful settlement. Investors should remember that this trouble has lasted quite a while and a complete and rapid settlement is difficult.

It may soon be time to look around for the more normal clues as to the course of stocks prices. When that time comes, if it has not already done so, it will be seen that most of the factors that were mentioned last June have not changed to any extent. In this country we now know that the better harvest is a reality. And, thanks to the generosity of the federal treasury, the minimum price of 80 cents a bushel for western wheat helps to cushion the drop in general farm commodity prices. Prices for other commodities, such as the metals, have improved. The munition orders that were talked of are nearing actuality.

But there has been no very marked improvement in general business. The recovery in the United States, so necessary for this country, has proved a little disappointing so far in spite of increased government spending. It takes the hope of higher corporate profits to support a rising stock market and there is more than a suggestion that what The Trader in Barron's this week called a "profitless prosperity" may arise.

Perhaps the expected stock rise when peace becomes fairly well assured will soon hesitate and look for further support.

* * *

Behavior Erratic

Stocks have been in a period of somewhat erratic decline for the past month. Since Labor Day the increasing seriousness of the European crisis has made the decisions exceedingly steep. How different stock groups behaved in the past two weeks is illustrated by a comparison of the Dominion Bureau of Statistics stock averages.

Movement of Stock Indices

	Sept. 6	Sept. 14	% Decline
Machinery & equip. ..	129.4	112.8	12.8
Pulp & paper	19.6	15.8	19.4
Milling	86.2	76.8	10.9
Oils	175.6	159.6	9.1
Textiles & clothing ..	58.0	54.6	5.9
Foods & allied prod. .	167.3	163.3	2.4
Beverages	120.5	104.2	13.5
Building materials ...	131.9	115.5	12.4
Industrial mines	419.7	387.8	7.6
Transportation	15.6	12.8	1.8
Telephone & telegraph	124.3	121.7	2.1
Power & traction	62.2	56.2	9.6
Banks	85.7	84.5	1.4
95 common stocks	104.0	95.6	8.1

Best showing has been made by the eight bank stocks; poorest by the seven pulp and paper stocks. The index of 95 common stocks is down 8.1% in the period. A better than average performance has been given by textiles and clothing, foods and allied products, industrial mines, transportation, telephone and telegraph and banks.

* * *

Stock Returns Analyzed

That an investment in a selection of Canadian common stocks over the period from 1901 to 1936 would only have returned a slightly higher yield than would Ontario long-term bonds held throughout this same period, is the conclusion reached by W. H. Tupling, in a study on the returns to common stockholders in Canadian companies submitted to Queen's University. Mr. Tupling selects at random 25 Canadian companies and follows their dividend history throughout the 36-year period. In computing actual yield on the investments he assumes that the stocks were sold at the end of the period and the amount realized considered in calculating the return. Several exchanges of stocks had to be considered.

Considered in this way the actual returns on this group of stocks ranged from 13.51% for City Dairy Co. to an actual loss of 8.78% on Nova Scotia Steel & Coal Co. An unweighted arithmetical average of the yield is 3.83% which, however, Mr. Tupling concludes is not a very representative figure. A more careful analysis indicates that a typical yield is apparently between 5 and 5¼%. He compares this with the average yield on Province of Ontario bonds from 1901 to 1936 of 4.55%.

* * *

Regular Dividends Count

Companies which paid dividends most regularly were found to give the best yield over the period, although perhaps not paying the highest rate in some years. Also high returns for a considerable period may be offset by eventual bankruptcy of the company and consequent low price for the stock.

If anything can be learned from this study, it would seem to be that a history of regular dividend payment for a long period is a pretty good guarantee of a fair yield and ability to maintain a reasonable market price. It seems also to show that alertness in watching for danger signals in individual companies will avert much of the loss through financial difficulties which may more than offset any dividends received.

The return to holders of common stock in the companies studied by Mr. Tupling is calculated as follows:

Return of 25 Canadian Companies 1901 to 1936 inclusive

	%
City Dairy Co.	13.51
Ogilvie Flour Mills Co.	11.44
The Laurentide Pulp Co.	10.50
F. N. Burt Co.	10.33
Penmans, Ltd.	10.10
Stanfields, Ltd.	9.48
Canadian General Electric	8.10
Canadian Rubber Co.	7.09
Montreal Cotton Co.	6.44
Canadian Salt Co.	6.42
Victoria Rolling Stock Co. of Ontario	6.00
Wm. A. Rogers, Ltd.	5.71
Lake of the Woods Milling Co.	5.10
Merchants Cotton Co.	4.58
The Carter-Crume Co.	4.55
Canadian Coloured Cotton Mills Co. .	4.20
Price Brothers & Co.	4.05
Dominion Cotton Mills Co.	1.85
British Columbia Packers' Assoc. ..	3.40
Dominion Iron and Steel Co.	4.00
Canadian Car and Foundry Co.	4.14
Acadia Sugar Refining Co.	6.89
Auer Incandescent Light Mfg. Co. ...	8.27
Nova Scotia Steel and Coal Co.	8.78

Investment Notes

Alberta Pacific Grain Co.—Since more than four consecutive quarterly dividends have not been paid exclusive voting power is held by the 7% preferred stock. Arrears of dividend totals $56 a share.

* * *

Canadian Car & Foundry—This company's stocks are apparently attracting some attention in London. The Investors' Chronicle suggests that it might be worth while to examine this stock now that the British Air Mission to Canada has concluded its agreement for the manufacture of aircraft in this country.

* * *

Distillers Corp.-Seagrams — The 5% cumulative preferred stock is included by The Financial World, New York, in a list of preferreds giving better than average yields, saying that "this well-entrenched Canadian company has nevertheless reaped a good share of the benefits of the ending of prohibition in this country."

* * *

General Steel Wares—The preferred stock does not appear to be overvalued at 65. Dividends are cumulative from May 1. Current reports on operations and earnings are favorable.

* * *

Imperial Tobacco — Ordinary shares have again demonstrated their stability in the face of market upsets. Current market value is 15 as compared with a high for 1938 of 15¾ and a low of 13¼.

* * *

Dosco—Class "B" stock appears to be favored in many quarters judged by the market support. The position of the company has undergone a marked improvement in recent years. Current operations are reported to be off, but reasonably satisfactory. As a long-term hold, the stock is being widely recommended.

Power Securities

- With the exception of Government bonds no other type of security is so widely held by Canadians as bonds and stocks of hydro-electric enterprises.

The confidence which investors place in power securities is based on a proven record of accomplishment; over the past ten years few major industries have maintained such a consistently even trend in production.

Stability of power output is due to the fact that electricity has become an indispensable adjunct to our social and industrial life. An investment in the power industry is an investment in Canada itself.

We shall be glad to make investment suggestions on request.

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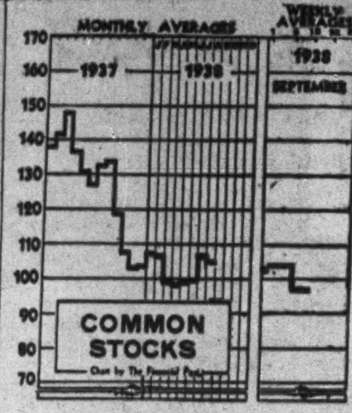

Gatineau Net 18c a Share

Profits Are Down from First Quarter, But Ahead of 1937

From Our Own Correspondent

MONTREAL.—Earnings of Gatineau Power Co. in the three months ended June 30 were somewhat lower than in the previous quarter, net profit being equivalent to 18 cents a share on the common stock. In the three months ended March 31 earnings on the common stock were equal to 22 cents a share.

For the first half of the year common share earnings equal 40 cents a share, compared with 28 cents a share in the first six months of 1937.

Revenues in the second quarter were lower and operating expenses and taxes higher, but the saving resulting from refunding of its debentures enabled the company to report a higher profit than in the same period a year ago. The decline in revenue is due to a loss of $20,607 on exchange whereas there was a profit of $229 last year.

Amalgamation Savings

Earnings in the quarter ended June 30 last reflect the effect of amalgamation of the Gatineau Power with Canadian Hydro-Electric Corp. If the balance before dividends for the three months ended June 30, 1937, is adjusted to reflect the amalgamation, common share earnings were equal to 22 cents a share. This compares with 16 cents a share before making the adjustment.

For the year ended June 30, 1938, the company reports net profit of $1,806,163, equal to 74 cents a share on the common stock. This compares with $1,204,884, equal to 37 cents a share on the common, in the year ended June 30, 1937.

After making the necessary adjustment to reflect the effect of the amalgamation, net profit in the year ended June 30, 1938, amounted to $1,862,129, compared with $1,544,531 in the year ended June 30, 1937. This is equivalent to 77 cents and 58 cents a share respectively on the common stock.

G. Gordon Gale, president, states installation of the 34,000 h.p. unit at the Chelsea plant is to be completed toward the end of the year, the cost thereof being met out of current cash funds.

Cons. Profit and Loss Account Three Months Ended June 30

	1938 $	1937 $
Revenue	2,131,859	2,147,098
Less: Oper. exps.	216,196	204,184
Maintenance	54,891	49,842
Taxes	105,451	74,801
Net income	1,755,321	1,818,211
Less: Bond interest ..	855,278	859,558
Debenture int.	202,703	308,888
Depreciation	157,957	154,771
Amort. bd. disc.	88,740	83,952
Net profit	450,643	411,042

B.C. Power Co. Profits Equal $2.04 a Share

Drop in Net Revenue Is Offset by Lower Fixed Charges

From Our Own Correspondent

MONTREAL.—Net profit of British Columbia Power Corp. in the year ended June 30, 1938, was in excess of full dividend requirements on the Class A stock, amounting to $2.04 a share. This compares with $1.77 a share in the previous year. There are 1 million of the no par Class A preferred shares.

Gross revenue increased, but net revenue after operating expenses, taxes and depreciation was lower than in the year ended June 30, 1937. However, interest charges were $121,693 lower as a result of refunding of the first mortgage bonds. Furthermore, provision for bond discount amounted to $293,792 in 1936-37, whereas only $79,980 was provided in 1937-38.

Power Sales Up

Revenue from power sales increased 3%. This was due to additional services and intensive merchandise sales for sales of industrial power were slightly lower. Power sales totalled 428,635,502 kw.h., compared with 423,384,644 in the previous year.

Gas sales increased more than 49 million cubic feet to 1,347 million cubic feet. Revenue from this source was only slightly higher as rates were reduced.

Passengers carried by the company's transportation system increased to 71,528,921 from 70,875,942. Freight carried dropped from 349,164 tons to 290,306 tons.

Provision for taxes was increased $47,298 to $1,705,540. The percentage of gross revenue absorbed by taxes is 11.3% compared with 6.4% in 1929. Since 1929 annual taxes have increased 82.4%.

Working Capital Down

Working capital is $1.7 million lower at $1.4 million. This is due to expenditures of $1,792,247 on plant extensions and improvements. Included in the above is cost of completing the Grandview substation in Vancouver and the second unit of 47,000 h.p. at the Ruskin hydro-electric plant. Change over from the electric railway to motor bus operation in New Westminster involved a cash outlay of $307,000.

Expenditures of $646,000 were made on light and power and gas extensions and improvements, to provide facilities to meet increasing power demands and to give service to over 4,000 additional electric consumers and 2,000 gas consumers.

First refunding and collateral trust bonds outstanding were reduced during the year by $400,000 to $13.6 millions.

Earnings of the company available for Class A dividends were lower in the first two months of the current fiscal year than in the same period of 1937. Gross earnings increased, but operating expenses showed an even greater increase. As a result the balance available for the Class A stock was $285,338, compared with $295,941 in the two months ended August 31, 1937. August earnings available for the A stock dropped $8,254 to $134,953.

Income and Surplus Account Years Ended June 30

	1938 $	1937 $
Operating revenue ...	14,993,244	14,788,281
Inc. from invests.	64,067	120,507
Total revenue	15,057,311	14,908,788
Less: Oper. exps.	7,573,820	7,332,895
Exec. sal. & legal fees	102,560	97,492
Accident res.	108,000	60,000
Directors' fees	21,000	20,913
Deprec. & renewals.	1,868,989	1,940,955
Income taxes	926,433	933,131
Appraisal exp. w/o .	......	20,316
Net revenue	4,456,509	4,503,086
Less: Bond interest ..	1,643,610	1,765,573
Cost of exchange ..	39,852	28,292
Bond discount	79,980	293,792
Subsid. pref. divds.:		
5% perpet. pref. ..	349,200	349,200
6% pref.	300,000	300,000
Net profit	2,043,867	1,766,229
Less: Class A divds. ..	2,000,000	1,700,000
Surplus for year	43,867	66,229
Add: Prev. surplus ..	1,305,631	1,239,402
Less: Adjust. pr. yrs. .	143,590	......
Balance forward	1,205,908	1,305,631

Working Capital

	1938 $	1937 $
Current assets	5,109,497	7,061,787
Current liabilities	3,620,601	3,809,811
Working capital	1,478,896	3,251,976

Wabasso Cotton Co. Reduces Stock Value

From Our Own Correspondent

MONTREAL. — Shareholders of Wabasso Cotton Co. have approved reduction in the book value of the company's capital stock from $4,192,240 to $2,000,000. The company has 69,903 common shares outstanding.

The capital surplus created by this reduction is to be used to write-off bond discount and to reduce the stated value of certain fixed assets to an amount more in keeping with what directors consider to be their true value in the light of present conditions.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-37:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1938:												
Jan.	109.6	18.9	87.2	194.9	64.3	158.7	116.1	138.4	64.4	84.3	48.7	107.7
Feb.	109.3	17.5	88.9	195.2	64.8	159.9	115.0	131.4	63.1	81.8	46.8	107.1
Mar.	100.7	14.6	76.5	181.2	60.3	152.0	101.3	116.0	58.2	80.5	43.1	99.2
Apr.	103.2	15.4	75.6	172.0	55.0	151.5	106.0	119.4	59.7	80.4	43.7	97.9
May	107.2	15.7	85.8	177.2	54.5	153.6	107.5	122.5	61.0	80.9	44.5	99.7
June	111.8	18.6	84.8	170.0	54.1	156.2	109.2	129.8	61.2	81.0	45.1	100.0
July	129.2	23.1	88.6	177.6	59.4	167.9	120.5	142.6	66.4	84.9	48.6	106.9
Aug.	130.1	21.0	88.3	176.7	59.0	168.5	122.1	139.3	64.3	85.0	47.1	105.2
Weekly Figures, 1938:												
Sept. 1 ..	128.5	19.5	86.3	175.0	58.3	167.8	120.2	132.9	62.4	85.1	45.8	103.1
Sept. 8 ..	132.2	20.0	83.6	175.6	58.5	166.9	120.5	133.0	62.0	85.7	45.7	104.2
Sept. 15 ..	119.2	16.7	78.6	165.3	55.4	164.0	109.8	119.5	57.7	84.8	42.7	98.0

*High and low for years from 1929 to 1937 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Sept. 20	109.99	112.46	85.55	28.38
Sept. 19	107.20	110.56	83.37	27.80
Sept. 17	102.75	104.53	79.45	26.49
Sept. 16	106.71	109.06	82.89	27.79
Sept. 15	109.22	112.22	84.15	28.88
Sept. 14	105.87	107.48	79.61	26.14
Month ago ..	121.77	126.81	91.84	33.63
Year ago	142.12	111.74	85.59	33.80
High, 1938 ...	126.85	127.19	97.95	50.85
Low, 1938 ...	97.66	102.06	64.47	26.14

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd	15 Golds
Sept. 20	61.3	73.6	69.5	120.63
Sept. 19	60.1	72.5	68.4	116.35
Sept. 17	59.2	67.4	64.7	110.93
Sept. 16	60.6	71.1	67.6	115.57
Sept. 15	60.5	72.8	68.7	117.94
Sept. 14	58.4	69.6	65.9	112.79
Month ago ...	67.4	84.7	79.0	129.14
Year ago	73.6	87.3	82.7	105.45
High, 1938	69.3	88.2	81.4	130.77
Low, 1938	58.4	61.1	60.5	103.06

Redmond Quain Heads Ottawa Car Mfg. Co.

MONTREAL. — Redmond Quain, K.C., has been elected to the presidency of Ottawa Car Manufacturing Co. He succeeds the late Hon. Thomas Ahearn.

The executive committee of the board of directors of the company consists of Redmond Quain, president; W. H. McIntyre, vice-president; Harold W. Soper and Kenyon Fellowes.

Alfred Bethune has been elected a director of the company.

Market Opinions

With movements of the stock markets depending so much on hour to hour developments in the European political situation, any comment may look out of date. But it would still appear that the average investor is justified in continuing a waiting attitude from reading representative comments.

Barron's, (The Trader) New York—"For after all it is an old truism that the news favors the trend. Had the market possessed the stamina that it appeared to have up to the time the European developments became first-page news, it ought logically to have displayed greater resistance, since it is highly debatable whether an actual outbreak of war would be bearish on American business. The sudden collapse of prices must be attributed to a weak technical position, just as the explosive rise of June could be traced to an unusually strong technical position.

"Disappointing action of the market, moreover, was chiefly the result of domestic selling rather than foreign liquidation. . . . .

" . . . . Inasmuch as the general industrial inventory problem has been cured, no justification exists for a sweeping liquidation in business and the stock market, but the profits outlook is now so obscured as to put the constructive-minded on the defensive and to suggest the possibility of further correction of the initial, easy-money lift in equity values."

* * *

Brookmire Bulletins, New York—"The acute market weakness in the early part of the week in response to the critical European situation, decisively proved what has been the logical conclusion for some time—namely, that the market was vulnerable to reaction. How far the reaction will carry will be decided not only by international developments, but also by the rate of improvement in underlying business factors. Normal expectancy would be for somewhat lower stock prices before the uptrend is resumed. Hence—while the favorable longer-term outlook warrants maintaining present positions—except in the event of a further sharp decline, accumulated new cash should not yet be invested."

* * *

Journal of Commerce, New York—"The opinion is widely held that a war would bring an immediate decline on the security markets and an eventual sharp rise. This is what happened in 1914 and thereafter. Despite several profound differences in the present situation, it is anticipated by many that the same pattern of price fluctuations would be worked out again."

* * *

The Annalist, New York — "The business outlook is, of course, not such as to create a strong feeling of optimism, but it is sufficiently favorable to have an influence upon security prices, if the foreign situation should become less threatening. If the recent business improvement has justified the July advance and if the business outlook is still satisfactory, a favorable turn of events abroad should place the stock market in a strong position to rally from this level."

* * *

The Financial World, New York—"Despite all the favorable aspects of the general situation, the present obviously is not a time for the investor to be over-extended. Until there appears reason for further alarm concerning Central European affairs and their possible repercussions here, the investor whose holdings are not uncomfortably large in relation to his capital seems justified in maintaining his position in well selected issues. So far as new purchases are concerned, one seems warranted in postponing any action for the time being despite the risk that somewhat higher prices may have to be paid later on."

* * *

The Investors' Chronicle, London (Sept. 10)—"This is hardly the sort of crisis which is removed in a day. In fact, if you add and subtract the 'pros' and 'cons' as you will, the answer is always the unsatisfactory one that the best thing to do at the moment is to wait. A bold person might buy, and he would probably make money if he did. But that is not a policy which I can publicly advocate at present. At the same time, it would be foolish to sell. The odds against a major war still seem very long."

* * *

Stock Exchange Gazette, London (Sept 10) — "Granted, as is now almost generally expected, that the European war clouds soon blow over, everybody is asking which will be the first markets to revive. Some brokers answer "Americans," others "gold shares," and some both. So far the primaries in the United States have gone to a certain extent against the more extreme policies of the New Deal. The elections proper are not due until Nov. 8, but if the signs accumulate that President Roosevelt will be faced with a less docile Congress next January, then 'Big Business' in the United States may go ahead with much greater confidence this autumn and winter than it has lately seemed safe to count upon. Theoretically, should prices of commodities rally more rapidly in the United States than here the dollar ought to relapse. But there are persistent rumors that under the pending Anglo-American Trade Pact, the sterling exchange rate is to be permitted gradually to decline to $4.70 or even lower. If so, it is suggested that we may see gold at somewhere near 150s. per oz. against this week's new high (unofficial) level since May, 1935, of 146s. 6d."

New Books . . . .

COMMONSENSE SPECULATION—By The Trader. Published by Barron's Publishing Co., 30 Kilby St., Boston, Mass.

The average investor, with his limited time and facilities, is only too glad to look for guidance to a specialist who has proven his better than average ability. The Trader has been known for more than 20 years as an outstanding authority on stock markets. In this book he tells in simple language how to use the variety of information available to best advantage.

Recently published in Barron's in the United States and The Financial Post in Canada in serial form, this authority's writings take much of the mystery out of investment making it what he calls "Commonsense Speculation."

A glance at the titles of some of the chapters gives some hint of its value. "Sell on the First Margin Call" deals with the value of margin trading and its risks. "The Main Trend" discusses inventories and the bearing of general business activity on investments. "When To Sell Your Stocks" deals with the human weakness, reluctance to sell stocks, and shows how to "pick the top" in the uptrend. Nor is the downtrend neglected as shown by three chapters on handling investments in "bear" markets.

One of the first things that "The Trader" makes clear is that there is risk in all investments. These risks cannot be disregarded but they can be watched and harmful effect largely avoided. "Commonsense Speculation" will prove of great help in using the available tools of the investor.

This book can be obtained in Canada through The Financial Post at $3 a copy.

Expect Little This Year From Plant at Malton

From Our Own Correspondent

MONTREAL.—Little or no income from the Malton aircraft plant of National Steel Car Corp. can be expected in the current fiscal year, R. J. Magor, president, told shareholders at the annual meeting.

Asked if the company intended to increase its common dividend rate, Mr. Magor replied the first essential was to place finances of the company on a strong footing.

Questioned as to the sufficiency of the depreciation provision of $113,784, Mr. Magor pointed out that the existing depreciation reserve is close to 50% of the balance sheet valuation of plant.

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Niagara Wire Pays 25c a Share

Previous Payment 50c — Drop in Demand from Newsprint Industry

A quarterly dividend of 25 cents a share has been declared on the common stock of the Niagara Wire Weaving Co., payable Oct. 1, 1938, to shareholders of record September 20. The latest payment represents one half of the previous 50 cent quarterly rate which had been paid regularly since Apr. 1, 1937.

The principal products of Niagara Wire Weaving Co. are fine mesh endless wire screens which are an essential part of Fourdrinier Paper Machines. The company's sales would seem to fluctuate pretty closely in line with production of the Canadian newsprint industry. As this industry has been operating at a considerably reduced ratio of capacity as compared with 1937 it would appear reasonable to assume that Niagara Wire Weaving profits and sales are also down. In the year ended Mar. 31, 1938, the company earned $2.06 a share and paid $2 in dividends. The annual report referred to the sharp curtailment of production by Canadian newsprint mills and its reflection in the reduced demand for the company's products.

It would also seem reasonable to expect that operations for the balance of this year and perhaps in 1939 would be somewhat more favorable in the light of the improving conditions for the Canadian newsprint industry.

American Cyanamid — Growth over the last decade has been phenomenal, says The Financial World, when including this stock among a group favored when the European tension lessens and normal business cycle growth can be resumed.

Ask Shareholders Deposit Can. Public Service Shares

Preference shareholders of Canadian Public Service Corp. are being circularized to deposit their shares with the liquidators, C. A. Edwards, Vancouver.

Shareholders previously approved a plan of reorganization, whereby Canadian Public Service Corp. was placed in voluntary liquidation and the ownership of its two operating subsidiaries transferred to a third subsidiary, West Canadian Hydro-Electric Corp.

The circular states that there will be no annual meeting or report of the company, but information on the annual meeting and position of West Canadian Hydro-Electric Corp. will be received by shareholders.

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"I heard Mr. Hicks say this morning that he wishes he were twins. Sure he's busy. But it strikes me that he makes two passes at every bit of work he tackles. Mary, his secretary, has it doped out. Says that if he could do once the things he now does twice he'd have more time to bring in new business, more time for planning, more chance to be himself instead of the pleasant busy-bee. She says he needs an Ediphone.

"An Ediphone does wonders for the big Boss upstairs. It's there at the side of his desk every minute of twenty-four hours a day. He picks up the receiver and talks his mind. Gives memos. Registers future dates. Reserves theatre tickets. Records telephone conversations. It isn't just a matter of dictating letters—it's a question of being a valet for every kind of mental work he does. And just think what it would mean to Mary if Mr. Hicks were to take up Ediphone Voice Writing . . .

". . . It would mean she'd have time to carry out one set of instructions while he's telling the Ediphone something else. Instead of pencil-twiddling while she waits for him to get through on the telephone, she'd be getting her work done. She'd avoid that 3 to 5 o'clock rush and do all her work better. Really, Hicks is a swell guy — but he's too busy now to get his business done properly. I think he ought to listen to Mary and at least give himself a chance to try Voice Writing".

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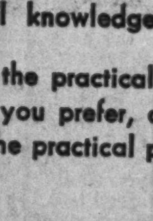

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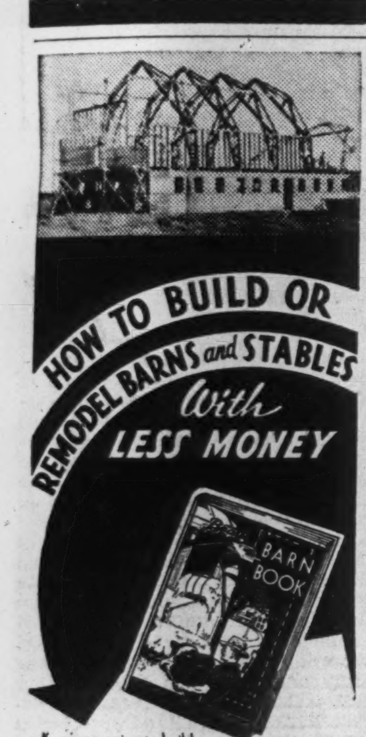
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Bond Markets

Canadian Bond Prices Irregular During Week

Financing of Canada's Participation in Great War Changed Funded Debt from Foreign to Domestic One and Altered Bond Markets

Possibilities inherent in the dangerous international situation have completely obscured any other consideration with investors this week, and the prices of even Dominion of Canada obligations have ridden nervously on alternative waves of optimism and pessimism.

A much better tone was creeping into the bond market with the growing hope that war may be averted, and prices have recovered some of the losses of the past week. Canadian high grades and corporation bonds have taken an encouraging turn as evidence of the underlying firmness of the bond market.

As violent as fluctuations on the Canadian markets have been they have not paralleled those of London and New York. The London market, usually a very sensitive indicator of the European picture, has given unmistakable signs of its dark foreboding.

Every bond investor has been pondering upon the question of bond prices in the event of a general conflagration in Europe, digging back into experience of 1914 to 1918 for an indication of what to expect.

* * *

Canadian Issues Preferred

In the United States market, observers weighing the prospects are telling the public that, while in doubt about the immediate future in Europe, it would be best to withdraw from all foreign securities, but usually make a significant exception of Canada. It is reasoned that if the present crisis dissipates, similar ones will crop up in future to unsettle foreign bonds.

While the obligations of belligerents might be maintained in good standing, it is felt that probable depreciation in market value would work to the disadvantage of the investor in the long term.

The placing of Canadian obligations in a select class would seem justified in view of the steadiness they have shown during a rapid series of crises.

* * *

1914 Precedent

If 1914 is a reliable precedent it might be stated that at the first of a war high-grade issues are the most stable type of investment, but do not react to boom periods in the same ratio as equities. If safety is the prime consideration, holding high-grade bonds and cash constitutes the safest course. Some other commitments may be made when the trend of security prices becomes evident.

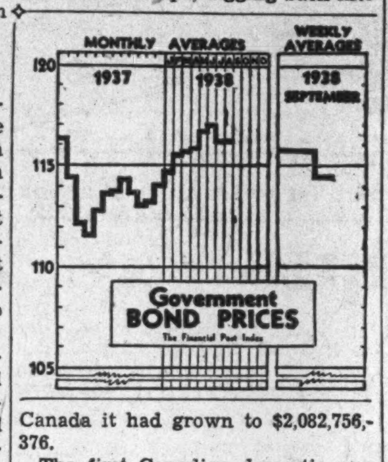
The only medium of judging Canadian domestic bond prices during the war period is that of Ontario bonds. Possessing a high degree of marketability and safety, they may be taken as indicative of Canadian obligations generally.

* * *

Canadian War Finance

By financing its participation in the World War Canada changed its funded debt from a preponderantly foreign one to a largely domestic debt.

On March 31, 1914, principal of the Dominion debt payable in London was $302,842,485, while principal of funded debt payable in Canada was only $717,453.



By 1921 the picture had been radically changed. At the end of the 1920-21 fiscal year, the Dominion funded debt payable in London was officially stated as $336,001,470; in New York, $135,874,000, while in Canada it had grown to $2,082,756,376.

The first Canadian domestic war loan was raised in November, 1915, consisting of $50,000,000 of 5% tax-exempt, 10-year gold bonds, issued at 97½. This was quickly oversubscribed and increased to $100,000,000.

The second Canadian domestic loan of $100,000,000 of 5% tax-exempt, 15-year gold bonds was issued in September, 1916.

Third Canadian domestic loan was issued in March, 1917, composed of $150,000,000 of 5% 20-year gold bonds, issued at 96.

In November, 1917, the first victory loan or fourth domestic loan was issued, amounting to $150,000,000 of 5½% five-, 10- and 20-year gold bonds.

The fifth domestic loan or second victory loan totalled $300,000,000 and was issued Nov. 1, 1918, bearing interest at 5½%.

The sixth and final loan (third victory loan) was raised at 100 and interest in November, 1919, consisting of $300,000,000 taxable 5- and 15-year 5½% gold bonds.

* * *

Quebec Financing

A large Province of Quebec bond issue has been rumored for some time, but no information is available as to when the province intends to enter the market.

Some financing will have to be undertaken by Quebec in the not-too-distant future. At June 30 the province had $9.5 millions of treasury bills outstanding and it has $17 millions of bonds maturing within the next six weeks. In addition, funds are required to finance capital expenditures and farm loans.

No announcement has been made by the province, but it is understood the banks and investment houses were approached several weeks ago as regards the possibility of a $50 millions issue. In investment circles this is regarded as too large a sum for one issue even for a province with as good credit rating as Quebec. Because of the large increase in debt in recent years Quebec has not as good a reputation with investors as formerly.

In view of the recent weakness of the bond market it is not likely an issue will be offered this month. Short-term banking accommodation probably has been arranged to take care of the $12 millions maturity on Oct. 1.

* * *

Average Price and Yield for Seven High-Grade Government Bonds

1938	Price $	Yield %	1938	Price $	Yield %
Sept. 20	114.64	3.006	Sept. 21	113.72	3.269
Sept. 19	114.32	3.076	Sept. 20	113.71	3.269
Sept. 18	114.43	3.064	Sept. 18	113.99	3.244
Sept. 16	114.75	3.024	Sept. 17	113.99	3.244
Sept. 15	114.39	3.030	Sept. 16	113.99	3.244
Sept. 14	114.57	3.041	Sept. 15	113.99	3.244
Year's	117.21	2.783	Year's	116.81	3.026
Range	114.21	3.147	Range	111.60	3.505

TOWN of AYLMER

NOTICE TO CREDITORS

NOTICE is hereby given that the agreement entered into between the Corporation of the Town of Aylmer and its creditors has been duly ratified, has received all the approvals required by law and is now effective.

NOTICE is also given that information concerning the exchange of the bonds may be obtained on demand from the Quebec Municipal Commission, Parliament Buildings, Quebec, or from the undersigned (P. O. Box 106, Aylmer, P.Q.).

CORPORATION OF THE TOWN OF AYLMER
Per: T. E. Ritchie,
Secretary-Treasurer.

AYLMER, P. Q.
September 19, 1938.

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Foreign Power Earnings Down

Drop in Value of Franc Hits at Ability to Cover Bond Interest

From Our Own Correspondent

MONTREAL. — Earnings of Foreign Power Securities Corp. have been seriously affected by the lower value of the franc during the past year.

Revenue for the nine months ended July 31 last amounted to $85,000, compared with $153,000 for the same period of the preceding year. Net revenue, after operating expenses, amounted to $71,000 as against $136,000 a year ago.

Results for the first nine months of the current fiscal year indicate interest on the company's first collateral trust bonds will not be earned. Last year, interest of $139,976 was earned 1.02 times. As the amount of bonds outstanding had been reduced to $2,135,500 on Oct. 31, 1937, interest charges this year should amount to about $128,000.

Gross earnings in the year ended Oct. 31 last amounted to $165,291 and net earnings to $143,244.

Some of the companies in France in which the company is interested are still paying good dividends. Outlook for Foreign Power is dependent upon improvement in conditions in France and upon improved world conditions generally.

Sanatorium Offers Issue of 4% Bonds

From Our Own Correspondent

MONTREAL.—An issue of $500,000 of 4% first mortgage bonds of Saint Georges Sanatorium is being offered by Dube, Leblond & Co., Quebec investment firm. The bonds are dated June 1, 1938, and mature serially Dec. 1, 1939, to 1950. The offering price is par and accrued interest.

Purpose of the issue is to finance construction of an antituberculosis centre at Mont Joli, Que., the cost of which is estimated at $700,000. It will have a capacity of 265 beds.

In addition to being secured by a first mortgage on the sanatorium, the issue is secured by revenues received from the Province of Quebec under the Public Welfare Act. Revenues thus received are stated to be more than sufficient to pay annual interest and amortization expense.

Town of Leaside Sells Bond Issue

The Hon. Eric Cross, Minister of Municipal Affairs announces that through negotiations conducted by A. J. B. Gray, supervisor of the Department of Municipal Affairs, the Town of Leaside has sold $62,000 of 4½% debentures at more than par to Harrison & Co., Toronto. An option on a further block of $238,000 has also been granted to the same company.

The Town of Leaside was removed from the list of defaulting municipalities during 1937; all creditors being paid in full. This new issue is the first since the adjustment of the town's debt.

The Department continues supervision of Leaside in a modified manner and has confidence in the municipality's financial condition.

Bond Sales

St. Catharines, Ont.

Wood, Gundy & Co. was awarded an issue of $55,000, 3½% serial bonds, due Oct. 1, 1939-58, at 100.83. This represents a cost basis to the city of 3.39%.

Other bids received by the city were as follows:

	Bid
Harris, Ramsay & Co.	100.52
Bank of Toronto	100.19
Can. Bank of Commerce	99.90
Gairdner & Co.	99.60
Fairclough & Co.	99.58
J. L. Graham & Co.	99.53
Lawrence Smith & Co.	99.50
Options requested were:	
Mills, Spence & Co.	101.13
A. E. Ames	100.50
Dyment, Anderson & Co.	99.75

* * *

St. Joseph de Granthan

From Our Own Correspondent

MONTREAL.—L. G. Beaubien & Co., Montreal, has purchased an issue of $63,000, 30-year serial 4% debentures of St. Joseph de Grantham, P.Q., at 98.07.

Bond Tenders

6 p.m., Oct. 3, Saint-Hyacinthe—$248,000, 3½%, dated Nov. 1, 1937 and Feb. 1, 1938, redeemable serially in 30 years. M. A. David, clerk.

4 p.m., Oct. 4, La Tuque, P.Q. — $18,000, 4½%, dated Aug. 1, 1938, due serially from Aug. 1, 1939 to Aug. 1, 1948; $13,500, 4½%, dated Oct. 1, 1938, due serially from Oct. 1, 1939 to Oct. 1, 1943. P. E. Riberdy, sec.-treas.

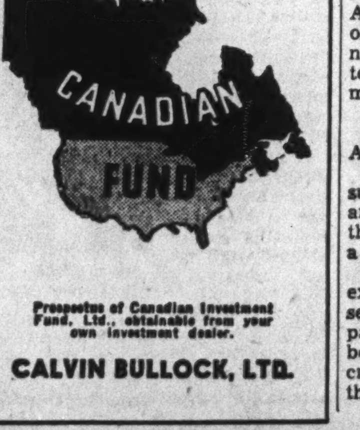
5 p.m., Sept. 30, Sch. Corp. of St. Jean Vianney, Gatineau, P.Q. — $30,000, dated Oct. 1, 1938, redeemable serially from Oct. 1, 1939 to Oct. 1, 1953; $10,000 at 3½%, and $20,000 at 4%. J. D. Bigue, sec.-treas. of Gatineau, County of Papineau.

7 p.m., Oct. 3, Port Alfred, P.Q.—$103,500, redeemable in ten years as follows: $71,500, 4%, dated Nov. 1, 1938, redeemable serially from Nov. 1, 1939 to Nov. 1, 1948; $32,000, 4%, dated Oct. 1, 1938, redeemable serially from Oct. 1, 1939 to Oct. 1, 1948. Rosaire Croft, sec.-treas.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Ottawa L. H., A	5%	1957	Oct. 1	103
McColl-Fron., A	6%	1949	Oct. 1	103
Prov. Paper, A	†5½%	1952	Nov. 1	100½
P. L. Robertson Mfg.	7%	1942	Oct. 15	105
Wood, A. & J.	*6%	1944	Oct. 11	103

For sinking fund purposes:
†$449,500. *$24,000.



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Looking Back at 1914

Stock Trends 24 Years Ago Traced — Present Differences Pointed Out

For at least the third time in the past 12 months the normal conditions that a careful investor watches for clues as to the trend of stock prices have been ignored.

For the past week or two there has been nothing nearly so potent to influence stock movements as the apparent odds on the outbreak of a major war in Europe.

Early this week it appeared as if the situation had eased but the readiness with which war news occupied the attention of investors gives added interest to a study of what happened 24 years ago at the outbreak of the last war.

Possibility of history repeating itself in the event of another war is strengthened by the speed with which talk of closing stock exchanges began to go around when crisis was following crisis a few days ago. For that was one of the first moves made to protect investments in 1914.

Exchanges Close

Montreal and Toronto stock exchanges were closed in 1914 on July 28. Great Britain declared war on August 4. New York stock markets closed on July 31.

On a restricted basis trading in stocks was resumed in Toronto on Oct. 15 but dealings were confined to efforts to liquidate weaker accounts. Fixed minimum prices were established. Trading on the full list of stock was resumed on Oct. 23 but at fixed prices. Open trading without restrictions except for the fixed minimum prices was resumed at Toronto in mining shares on March 27, 1915, and on all securities quoted above the minimum prices on April 6, 1915. Montreal followed approximately the same procedure.

What happened to prices during the war period? First effect of the war was a collapse of all security prices in the face of a universal demand for cash. The month preceding the actual outbreak of war saw most of the Canadian stocks at their lows for the year although a declining trend had been in evidence since the first of the year.

War Effects Mixed

Although little discrimination was shown in the headlong rush for cash at the threat of war, not all stocks behaved the same. Nor did those stocks, such as bank stocks, which had shown strongest resistance to the collapse of 1914 always fare best throughout the war period. Dividends continued on bank stocks at the 1914 rate throughout the war but due to an inflationary rise in prices, the actual return to the holder was not as attractive by 1919.

This tendency for stocks with semi-fixed dividends to fail to follow the sometimes spectacular rise in stock prices of the later war years was reflected in bond prices. Interest rates on government bonds rose and, conversely, bond prices fell.

Province of Ontario bonds are usually used where a long-term comparison is wanted. Yields on Ontario bonds opened in 1914 at 4.40% and at the close of the year were at 4.25%. Beginning in 1915 a rapid rise in interest rates is shown until a yield of 5.25% was reached by the end of the year. Actual trend of interest rates during the last war is shown by the following table.

Ontario Bond Yields

	1914 %	1915 %	1916 %	1917 %	1918 %	1919 %	1920 %
January	4.40	4.25	5.25	4.90	6.00	5.80	5.75
April	4.35	4.40	5.30	5.25	6.00	5.60	5.80
June	4.25	4.50	5.25	5.50	6.05	5.40	6.00
October	4.25	5.00	5.00	5.90	6.00	5.60	6.20
December	4.25	5.25	4.90	6.00	6.00	5.75	6.45

Nothing very spectacular happened to corporation bond prices until the middle of 1914. Bell Telephone 5% bonds at 99½ in July were actually slightly higher than at the beginning of the year. By Jan., 1915, these bonds were down to 96½. Montreal Power 4½% bonds lost about a point to 97 in the first seven months of 1914 and were down to 95 early in 1915. Weaker bonds, however, as has been the case in the past months, moved down much faster with drops of from five to ten points common. By 1919 some further declines in best corporation bonds had taken place and the Bell Telephone 5% bonds were down to about 91. By this time the Dominion was selling its 5½% tax free bonds at 100 or less.

Stocks Helped and Harmed

When it comes to considering the various Canadian stocks, it is seen that not all were favorably affected by the inflationary trends of the war period. Those deriving least benefit were:

(1) Foreign utilities; (2) Domestic services; and (3) banks and financial institutions.

Although in some cases the gain was only temporary, a study of prices from 1914 to 1919 indicates that the following came through most favorably:

(1) Flour milling and food processors; (2) iron and steel manufacturers; (3) the "inventory" industries such as paper, textiles.

Foreign investments are unsatisfactory in times of war, as for example Brazilian Traction and Barcelona Traction in recent years. Actual operations of the companies, provided they are not in the war zone, may grow and prosper but there are almost certain to be acute exchange troubles.

As for domestic utilities and services, if rates cannot be adjusted readily to meet the inevitable rise in costs, earnings may suffer. In such a predicament might be found Consumers' Gas, Canadian Pacific and perhaps companies such as Canada Bread.

Where Profits Came

In the last war the big profits from stocks came mostly from those companies engaged in war orders, from the paper making concerns which were aided by higher prices and a rising market in the United States and in the flour millers, food processors and textiles. Much of this was due to rising prices and the post-war collapse wiped out a great deal of the profits.

War brings a demand for some of the natural products that Canada has to supply in greatly increasing quantities. Wheat, flour, canned goods and meats are good examples of this while the steel companies in 1914 turned to making munitions. A study of the actual movements of representative Canadian stocks during the last war will soon show which companies were aided and which harmed. Such a list follows:

Montreal and Toronto Prices 1914-1919

	1914		1915		1919	
Stock:	High	Low	High	Low	High	Low
Barcelona Traction	35⅛	15½	12¾	7¼	13⅛	5¾
Bell Telephone	159¼	140	159	140	133	110¾
Brazilian	92	53½	60	53	61	50
B. C. Packers	143½	111	128	110	146	92
Canada Bread	33	18½	31⅛	30	33	18
Canada Cement	32	28	48½	28	74¼	63
C. P. R.	219½	171	193½	139¾	175	160
Canada Steamship	18	9¼	20	5⅞	81	41½
Canadian Car	70	48	120	50	72	28
Consumers' Gas	180	169	185	176	152	138
Dominion Bridge	122½	108	237	107	123	94
Dominion Canners	68½	27½	35	31	65½	30½
Dominion Steel	41	20	53	20	75¼	58¾
Dominion Textile	86½	64	77	64	125⅞	100
Laurentide Co.	192¾	164½	198	160	276	192
Maple Leaf Milling	48	24½	68	33	209	121½
‡Montreal Power	78	71½	80½	71½	93	84½
Montreal Trams	230	190	220	220	160	114¾
Nova Scotia Steel	79	39½	107½	45¾	95½	48
Ogilvie Flour	123	107	144	110	298	194
Ottawa Light, Heat & Power	170	123	123	120	87	75
Penman's	55½	48	63	49	112	77½
Quebec Power	17	10	20½	9½	30½	16½
Shawinigan	142¾	111	140	110	127½	114½
Shredded Wheat	90¾	78	102	92	147	124
Spanish River	16¾	8½	7¼	3	90½	17
Steel of Canada	20	11	52½	8½	88½	57½
Toronto Railway	144¾	110	117	111	55	39
‡Prices in 1914 and 1915 adjusted to 1919 capital.						
Bank and Loan:						
Commerce	218	199½	203	203	215	195
Montreal	250	227½	240	234	225	207
Nova Scotia	265	257	261	261	278	255
Royal	228	219	221¼	221¼	218½	208
Can. Permanent	192½	183	188	183	176	167

Major Angas on War

This has given an outline of what happened to investment and stock markets in the last war. It hardly seems to be within the scope of this study to discuss whether or not a war will come. This has been done ably by other writers but few of them have been so outspoken on the point as has Major L. L. B. Angas in his latest digest which he entitles "The Coming War." * Written between Sept. 9 and 11, 1938, Major Angas states his conclusion that:

"Logic seems to point to an early war. I hope I am wrong. But I fear it—for Hitler is horribly logical."

Major Angas writes primarily for the United States investor but his conclusions on the effect of another war are of more than passing interest to Canadians as well. Although pointing out that some investment advisers in the U. S. go so far as to say that it is not an outbreak of war that should be feared but rather peace because of the rising scales of armaments expenditures by leading nations. Major Angas states that "since the present day American market looks to be in process of making a 'topple,' after a top; and since stocks are dear on current earnings; and since the logic of 'Mein Kampf' points to an early, rather than a delayed war; and since America is not likely to profit out of the next war, even if she remains neutral; the general evidence seems to point to a policy of caution in the market, rather than boldness."

Wall Street and War

Other points brought out by Major Angas include:

(1) It is entirely fallacious to presume that several years of high speed armament manufacture will be in the offing as the next war may be a high speed affair.

(2) United States neutrality may extend to materials with a consequent lack of profits to U. S. companies and that the next war will be financed on a cash basis not a credit basis so far as purchases from the U. S. are concerned.

(3) Policies intended to take the profits out of war will be widely advocated and will be a stimulus to sell stocks in favor of cash.

(4) Closing the stock exchanges may be dictated not so much by concern for prices of common stocks as by need for protecting the bond market. A decline in bond prices would perhaps undermine confidence in the banks as large holders of government debt.

(5) A monetary panic might follow attempts by the American Government to prevent an unpopular rise in living costs from the dumping of gold by other countries. Possibility of an embargo on gold shipments to the U. S. is envisaged.

Changes Since 1914

Even if a general war should occur and Canada be involved, there are certain obvious differences between conditions affecting investment today than in 1914. Take the bond market as an example. The public debt is very much larger than in 1914 and the great majority of Dominion and provincial bonds are held in this country. The banks and insurance companies are the most important holders of this debt. Interest rates are close to an all-time low record and this level has been encouraged as a part of the Government's recovery policy. Industry has changed tremendously and its ownership is far more widely distributed among investors. Governments throughout the world have a direct interest in major commodities, carrying out actual buying and selling operations.

But it is questionable how much public psychology has changed. And in so far as this would generate an early collapse in stock prices because of a rush for liquidity perhaps followed by a clearer evaluation of the investment side of a war, it would probably differ little from 1914.

---

* "The Coming War," by Major L. L. B. Angas; New Era Publishers, 47 West St., New York; price $2 per copy.

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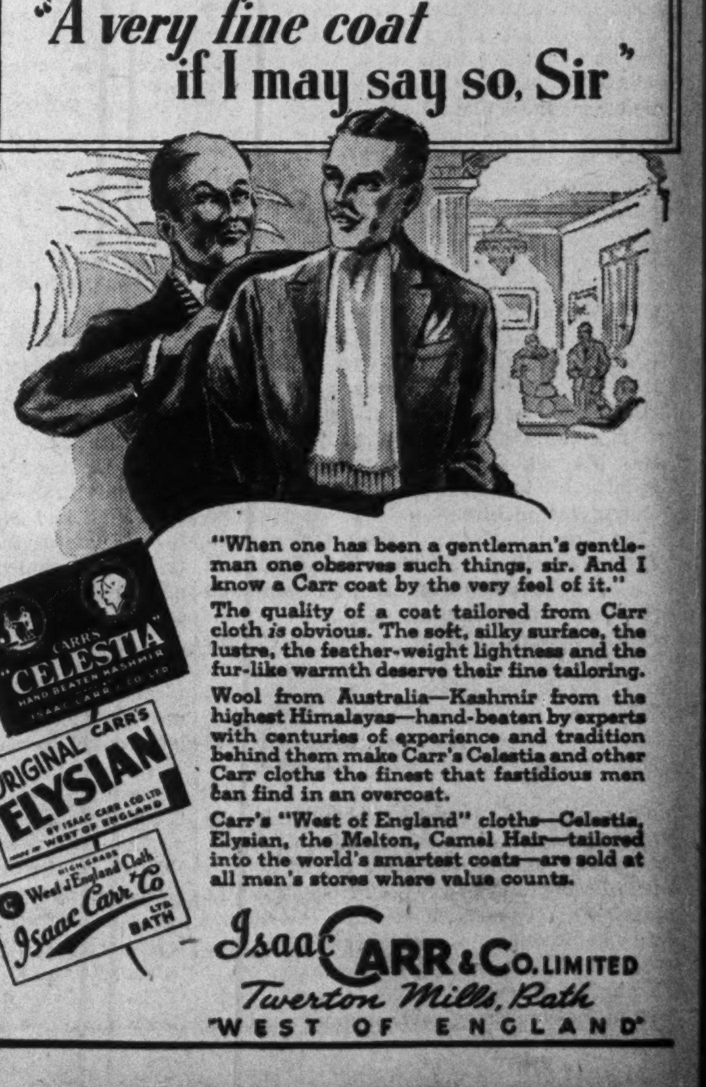
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TORONTO, SEPTEMBER 24, 1938

The Financial Post's Platform for Canada

Balanced budgets.
A modernized constitution.
Extension of Empire trade.
Integrity in meeting public organizations.

Patience and Confidence

OPERATIONS and earnings of the pulp and paper operators so far this year have been disappointing contrasted with the high hopes held out a year ago. The turn of events has been discouraging. Still it is possible to look at the situation with some degree of optimism.

As disclosed in the Twentieth Annual Pulp and Paper Supplement of The Financial Post this week, the setbacks of the past several years have been in the nature of a lesson and taken to heart. When one compares the manner in which operations are carried on today with those at the beginning of the last depression, it will be recognized that there has been a notable improvement.

Pulp and paper is being produced on a more efficient basis than ever before; administration has been strengthened; improvements have been made in quality of product; in short, the industry has accomplished much from within toward improving its own position.

Outwardly the industry has its problems. Relations with the buyers, especially publishers in the United States, while not as acrimonious as they were a few years back, can be further improved. Then, too, a closer ununderstanding by the provincial governments of the industry's problems would be helpful. These matters should adjust themselves.

What is needed now is patience and continued confidence in an industry which in time should round out its position in the economic life of the country by re-establishing earning power. The trend is toward that end.

A Tourist Ministry For Canada

CANADA'S complacency in regard to her tourist trade is at last beginning to totter. Across the prairies as well as in Quebec, British Columbia and elsewhere, newspaper editorials have been vigorously assailing present governmental policies—or lack of them. Elsewhere in this issue a letter from Prince Edward Island tells something of the problem faced by that province.

It is gradually being realized that Canada is taking far too much for granted in thinking that Americans and others will spend increasing millions of dollars to come and visit us without some commensurate effort on our part to prepare for and welcome them when they come.

Recently the Winnipeg Tribune devoted a leading editorial to this subject. It quoted the report of Manitoba's Economic Survey Board which urged that there must be a positive programme for developing that province's tourist resources and bringing money into Manitoba. It pointed out that Canada is in danger of losing a great deal of tourist trade to the southern states of the U. S., not only on the part of the Americans, but also on the part of many Canadians who prefer to take their holidays in territories well supplied with good road facilities, etc.

• • •

What is happening to the much-vaunted tourist programme announced in the House of Commons by the Dominion Government last summer?

According to the supplementary estimates, millions of dollars were to be spent to develop our national assets in a way to attract more visitors and make their visit more pleasant and profitable. Has anything been done to implement these plans?

Earlier in the year the National Employment Commission outlined a detailed, specific plan for stimulating tourist trade. What has happened to it?

Like most other N.E.C. recommendations it seems to have gone by default through failure of the Dominion Government to see the thing through to a successful conclusion.

• • •

Canada's tourist effort is too largely diffused. We have dozens of bureaus and organizations nibbling at the tourist cheese, none of which is capable of taking a really man-sized bite. We lack a national plan and national organization to co-ordinate the whole Canadian tourist picture.

The Canadian Travel Bureau, for example, has done excellent work since it was set up at Ottawa a few years ago. But its scope and operations are too limited.

For one thing, inter-departmental routine apparently prevents more than one or two tourist jobs being done by the Travel Bureau. Many vital matters must be handled by some other minister because roads, parks, etc., are the responsibility of another department.

• • •

Ottawa should consider completely revamping her tourist organization. One way would be to create a separate tourist department directly attached to the Prime Minister's office. This department should co-ordinate every angle of tourist business and promotion with which Ottawa is concerned. It should also be the spearhead for an inter-provincial committee embracing governmental and commercial groups from every province.

It would not be necessary for the Government to build up a large clerical staff. The first step would be to appoint either a first-class official of deputy ministerial rank as the chief executive, or else to create a separate company similar to Trans-Canada Air Lines in which outside interests could hold stock participation.

In either case the main job would be to co-ordinate the work being done both at Ottawa and elsewhere throughout the country and to bring an end to the present inadequate set-up.

Parliament on the Air

NEW ZEALAND is experimenting with a constructive plan which might go far to overcome the appalling sluggishness of parliamentary practice as carried on at Ottawa.

According to the Ottawa Citizen, the experiment made during the last session, of broadcasting proceedings of the New Zealand Parliament has been a considerable success. Parliament goes on the air 2.30 until 10.30 or 11 o'clock each day. It is said that listeners, especially in rural districts, will hurry home from their work—out in the fields, or wherever they may be—to give themselves as long an evening as possible with "hansard."

Commenting on the possibilities of this plan in Canada, the Montreal Standard suggests it might put more "zip" into speeches, and increase their "interest" content. It is concerned, however, lest it spur members to "oratorical heights they had not bothered to attempt for their colleagues' ears."

> "We would hate to see Parliament turned into a legislative circus of the air with the Speaker acting chiefly as an announcer.
>
> "But it does seem worth trying almost anything that might get the people of the country more interested in and concerned about what goes on in the House of Commons, and that might lead to better and shorter speeches."

No one with any zeal for Democracy can observe the dreary sessional debates at Ottawa without a fervent desire to effect an improvement by some manner or means. Perhaps the innovation of inviting citizens to "listen to their laws being made" would go far toward achieving this goal.

Failure of Relief Policy

A RECENT check-up of 12 municipalities in the Toronto area shows seven of them to have exceeded their 1938 relief budgets so far this year.

This serves as a reminder that Canada is still pouring millions of dollars every month into the relief sinkhole.

Inadequacy of present relief policies to solve the unemployment problem is shown in the recent report of the Economic Survey Board of Manitoba on unemployment. This report agreed the test of unemployment policies was the extent to which they assisted in the general trend toward re-employment. They classed relief as a palliative; not even an approach to a solution.

The Manitoba board has reached conclusions paralleling those urged on the Dominion Government by the National Employment Commission a year ago. It stresses the urgency of a positive approach, urges unified control of unemployment through Ottawa, a Dominion employment service, national unemployment insurance and the development of resources of the soil, mines, forests and water.

When Prime Minister King came into office he placed unemployment as the major responsibility of his government. He appointed an outstanding group of citizens to probe and report. Their recommendations were made as early as a year and a half ago. The final report was completed last spring. Many of its major recommendations have been ignored or side-tracked.

Admittedly constitutional difficulties have cropped up. But these and other obstacles have beset governments for generations.

Prime Minister King must take responsibility for Canada's failure to press to a successful conclusion, specific, positive plans to combat unemployment and rehabilitate Canada's jobless.

A Lesson in Legislative Stability

A FEW weeks ago the Association of Superintendents of Insurance of the Provinces of Canada held their annual convention at Victoria, B.C.

For the most part this conference was a "routine" affair—serving its primary purpose as a legal and administrative clearing house for officials of the nine provincial jurisdictions. As usual, most of its work was done quietly behind committee doors. Only the occasional glare of publicity illuminated its deliberations.

But in one respect at least these annual meetings of provincial insurance officials are noteworthy.

Through their deliberations, the insurance world and the business community at large are assured as large a measure of legislative "stability" during the next 12 months as is possible in a democratic country.

In short, the programme presented to and discussed by the insurance superintendents included every important legislative measure which is likely to appear in provincial statute books during the coming winter.

There will be exceptions, of course, to suit the whim of designing politicians. But by and large the business community and the insurance people themselves can be assured that within the confines of the Victoria conference is to be found the great majority of insurance laws and enactments to be presented at legislative sessions in 1938-39.

At a time when provincial disunity and legislative instability is seemingly the order of the day, the plan and procedure of the provincial insurance superintendents is noteworthy.

It is a striking example of the stability and unity which can be achieved (even by the nine Canadian provinces) where there is a willingness to work toward a common plan and purpose.

Piscatorial Argument

BRITISH COLUMBIA thinks it is about time its big, valuable fishing industry was "complimented" by the Federal Government in the appointment of either a minister or deputy minister of fisheries from that province.

Pointing out that 40% of Canada's annual production of fisheries products is taken from B. C. waters, the Financial News of that province says:

> ". . . . It is only logical to presume that a fisheries man thoroughly conversant with the situation and the problems in the territory of largest production would make a good minister or deputy."

Apparently the Pacific coast province has never had one of its native sons in either of the two key fishery jobs at Ottawa. No change in the ministerial portfolio is suggested, but it is noted that W. A. Found, the present deputy, is shortly to approach retirement age, which appears a logical opening for a B. C. appointee.

There is no reason why the Maritimes should perpetually be regarded as the "breeding place" for fisheries officials. The "first come, first served" argument should have lost weight long ago.

Nor should the fact that the Maritime fishermen are traditionally more "vocal" than their Pacific brethren be allowed to permanently influence the situation.

On the other hand, the number of Maritimers engaged in fishing probably exceeds by four to one the number on the Pacific coast.

If Prime Minister King aspires to be a Solomon he will doubtless find a way to settle this piscatorial argument.

Editorials in Brief

Toronto's Ego will be greatly punctured when it reads the current issue of British News Review. Discussing aviation contracts it describes the Queen City's go-getting chief magistrate as: "Mayor Ralph Day of the little town of Malton, 14 miles from Toronto."

• • •

Results of primary election contests in the United States have made this clear: while President Roosevelt can win votes for himself he cannot apparently deliver them for his favorites.

This is interpreted as making a third term for F. D. R. more probable with every subsequent defeat at the primaries.

• • •

The Waiter at Beverley Baxter's club got well-deserved publicity over a national hook-up last week when the Canadian-born M.P. quoted him as a typical example of the calm, imperturbable Britisher in time of crisis. Said the waiter (according to Beverley):

> "That Hitler fellow thinks he can push the British Empire off the map. That isn't our idea, and the sooner we tell him so the better. I can strongly recommend the beefsteak pudding, sir."

• • •

The Case for Alberta is a dressy-looking document. It has a smart, modernistic cover in Marina blue. It contains about 200,000 words; weighs 2¾ lb.

Originally prepared for the Rowell Commission it is now being sold to the "SOVEREIGN PEOPLE" for $2.25 a copy—postpaid. (There was a special bargain rate of $1.25 until Sept. 15.)

The other day 200 copies arrived at Ottawa for free distribution among the leaders and executives of the SOVEREIGN PEOPLE. Ottawa was impressed and somewhat taken aback by this sudden burst of Aberhartian generosity.

But, like Social Credit, there was a catch. A few days later the railways presented Ottawa with an unpaid freight bill for $17.

Sayings of the Week . .

"I still believe there will be no war."—*A. Beverley Baxter, M.P.*

• • •

"He who throws away the tinfoil of a cigarette package is a dirty dog."—*General Goering.*

• • •

"Retreat is not always the path to peace."—*Anthony Eden.*

• • •

"It is better to stumble at first than to go dead wrong."—*R. J. Deachman, M.P.*

• • •

"It seems as if we are entering into a new period of barbarism."—*Andre Maurois.*

• • •

"How'd I get to the top? I just socks 'em good and plenty."—*Joe Louis.*

• • •

"The average citizen uses just 43 one-syllable words to express half his ordinary conversation."—*Vulney Irons.*

• • •

"There is a lot of bluffing in Europe, and Hitler is the biggest bluff of all and getting away with it."—*Jules S. Bache.*

• • •

"War is on its last legs because now it can get around and kill the fellows behind the lines, those fellows who create war. That will stop it."—*Henry Ford.*

• • •

"If any country in the world seems to offer opportunities of development it is northern Alberta and the North, even beyond that."—*Sir Edward Beatty, C.B.E.*

• • •

"I'm no secessionist — I could not picture the Dominion of Canada cut off at the Rockies, but we must have some compensation."—*Hon. T. D. Pattullo.*

• • •

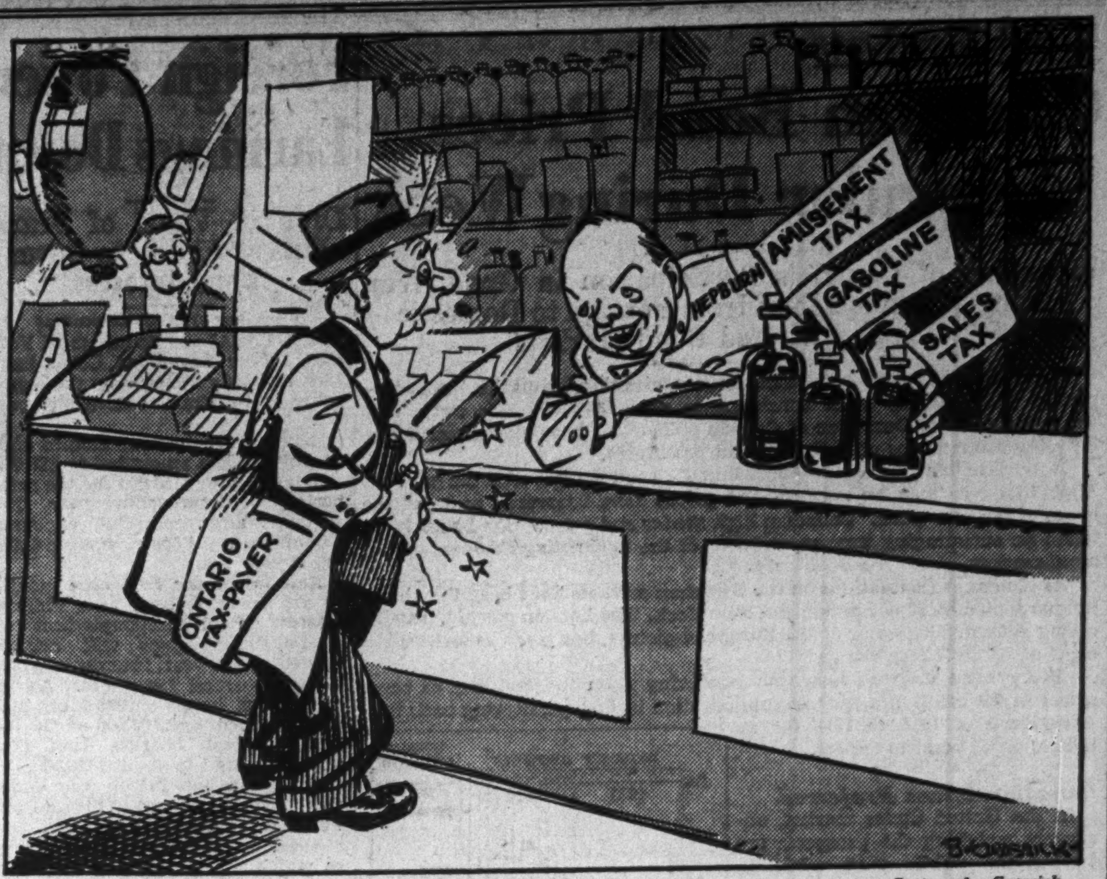
"I think it should be the first rule of journalism that a newspaper which cannot make money at the business of building up public opinion toward a true democracy should fold up and be forgotten" — *Harold Weir, Editor, Vancouver Sun.*

• • •

"It is always worth thinking when people talk rashly about what may be accomplished by younger men, that Stalin and Hitler and Mussolini were all comparatively young men when they started on their careers, and they certainly get a tremendous amount of support from youth."—*Earl Baldwin.*

• • •

"The diplomatic machinations of the Western democracies are only evidence of their faith that it is better that the Nazi ideology should perish of its own diseases — rather than be murdered by outside democracy, and that they are prepared to stretch every nerve to spare the world, including the German people, a catastrophe."—*Dorothy Thompson.*



—Cartoon by Grassick.

"BUT I'M OVERTAXED ALREADY!"

Post-Scripts . . . .

Paul Sise

The fact that he is a leading industrialist is not the only reason for selection of Paul F. Sise as president of the central aircraft company which is to manufacture bombing planes in Canada for the British Government.

PAUL SISE

He is no stranger to the British War Office. During the Great War he went overseas as Adjutant to the 148th Battalion, but was later attached to the British War Office in London and sent to the United States on the staff of the British Recruiting Mission. His experience with the British War Office during the Great War will doubtless prove very useful to him in his new position.

While he is a director of a number of industrial and financial concerns, including the Bell Telephone Co. and the Royal Bank, it is the company which he heads, Northern Electric Co., that his name is most intimately associated.

• • •

Following graduation from McGill University in engineering in 1901 he served his apprenticeship with the Westinghouse Co., Pittsburgh. Later he was associated with the Montreal sales department of Canadian Westinghouse Co. In 1904 he joined Northern Electric Co., subsidiary of Bell Telephone Co., as secretary-treasurer. Six years later he became managing director and in 1914 was elected vice-president as well. In 1919 he succeeded his brother, E. F. Sise, as president.

His brother, E. F. Sise, was president of the British Munitions Co. which functioned with the Imperial Munitions Board during the Great War.

• • •

The Sise family has been associated with the Bell Telephone Co. from its very beginning. Charles Fleetford Sise, father of C. F. and Paul F. Sise, present heads of the Bell Telephone Co. of Canada and the Northern Electric Co. respectively, was at one time or another a sea captain, trader, insurance agent and blockade runner in the American civil war. At the age of 45 he moved to Montreal and started on the greatest adventure of his life by founding the Bell Telephone Co. of Canada. He gave himself to it for 35 years and his work is now being carried on by his sons.

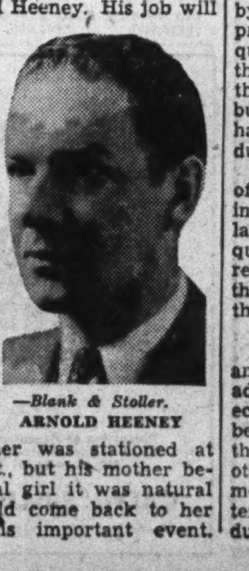
The career of Paul F. Sise bears little resemblance to the Horatio Alger story of the poor boy starting at the bottom who, after years of struggle, becomes president. Educated at Bishop's College and at McGill University, he entered the employ of Northern Electric and Manufacturing Co. as secretary-treasurer in 1904, after a short apprenticeship with the Westinghouse Co. Six years later he became managing director. Imperial Wire and Cable Co. was merged with Northern Electric and Manufacturing in 1914 and Paul Sise became vice-president and general manager of the new organization. When his brother, E. F. Sise, resigned in 1919 to go into the insurance business, Paul Sise succeeded to the presidency.

While his father's position and influence were helpful to him he never asked for favors. He mastered each job before he went on to the next one. The fact that he is recognized as an outstanding executive is proof of his ability.

• • •

Arnold Heeney

To be his chief private secretary, Prime Minister King chose the other day a young Montreal lawyer named Arnold Heeney. His job will be to assume major responsibility in the Prime Minister's personal affairs. H. R. L. Henry will continue as parliamentary secretary to the P. M.



—Blank & Stoller.
ARNOLD HEENEY

Arnold Heeney was born 36 years ago in Montreal—the son of an Anglican clergyman. At that time his father was stationed at Belleville, Ont., but his mother being a Montreal girl it was natural that she should come back to her home for this important event. There were two more moves—one to Newport, R.I., the other to Barrie, Ont., before his father, Canon Bertal Heeney, was appointed rector of St. Luke's Church in Winnipeg.

• • •

It was in Winnipeg that Arnold spent most of his adolescent days. First at St. John's College School, later at University of Manitoba, he topped a brilliant academic career by being named, in 1923, Rhodes scholar for the province.

Specializing in history he took a second B.A. at St. John's College, Oxford, on the subject of the Canadian Constitution.

By 1926, law had become his major interest. He determined to return to Canada to study and practise. Torn between Vancouver and Montreal he chose the city of his birth and became indentured to Arthur Holden, K.C. — a leading authority on marine law. He took the Lieutenant-Governor's medal in his first year at McGill Law Faculty; on graduation he became a junior partner with Meredith, Holden, Heward and Holden.

Apart from law, Arnold Heeney's major interest has been public service. In a country where career men are few and far between, Arnold has attempted to strike a happy medium between legal practice and the sort of work which would directly benefit the community at large.

• • •

One of these jobs was a series of important social studies undertaken through the Junior Board of Trade. The one which Heeney was specially interested was on civic government. He also served on the Carson committee which investigated the Protestant School system in Montreal. Through this he linked up with the wider enquiry by the Quebec Protestant Education Survey of which he was appointed secretary and counsel. This committee finished its job early this summer and is expected to report before the end of the year.

He has also lectured in municipal law at McGill and was secretary of the Quebec selection committee for the Rhodes Scholarship Trust. He is a member of the vestry of Christ Church Cathedral and is on the executive committee of the Canadian Club of Montreal.

Mr. Heeney tells us he has never had a nickname—everyone calls him "Arnold." Just why, he's not quite sure. He says one of the main characteristics of his life is that it has been very "pedestrian."

He is tremendously keen about his new job which will put him into intimate contact with another Canadian with a distinguished academic career who also specialized in constitutional history and who also is dominated by a passion for public service.

• • •

Deputy Governor

Native-born Scotsmen like to tell that one of the products for which their homeland is famous is London bankers. They can now expand their claim to include the deputy governor of the Bank of Canada.

DONALD GORDON

At the age of 37 Donald Gordon assumes that position.

He steps up from the position of secretary to which he was appointed in 1935 when the Bank of Canada was formed.

Big, friendly, hardworking and capable, he brings to his new position not only the experience gained as secretary of the central bank, but also a sound knowledge of the Canadian banking system gained by 19 years service with the Bank of Nova Scotia.

Born at Oldmeldrum in Scotland he came to Canada in 1914 and entered the Bank of Nova Scotia in 1916 when only 15 years of age.

He was on the head office and inspection staff from 1920 to 1926, assistant chief accountant from 1926 to 1930 and assistant manager of the main Toronto branch from 1930 to 1935.

In 1935 he linked his fortunes with the Bank of Canada. He and the governor of the Bank of Canada, Graham F. Towers, are probably the youngest executives of any central bank in the world.

• • •

Honoring Dr. Hogg

Last week members of the staff of the Hydro-Electric Power Commission of Ontario had an opportunity to express their affection and admiration for their chairman, Dr. Thomas H. Hogg.

The occasion was the completion of 25 years of service, nearly all as an employee, and the attainment of the chairmanship on Nov. 1, 1937.

Four covered serving dishes of fine old English Sterling made by Paul Storr in 1822 were presented to the chairman by the president of the Ontario Hydro-Electric Club, together with an illuminated address.

Coals of Western Canada

Editor, The Financial Post:

The article appearing in Aug. 27 issue of The Financial Post "Maritimes and the West" leaves the reader with the impression that any coal from Alberta is unquestionably inferior to the Nova Scotia product.

Such an impression is entirely erroneous and one that is quite capable of setting up in the minds of the consuming public an idea not founded upon fact and consequently very dangerous to the welfare of the coal industry of western Canada.

Dominion Government data compiled in "Coal Statistics for Canada" credits the coal production of the Maritimes to bituminous only; Alberta produces several varieties of coal ranging from the highest grade bituminous to the lowest grades of lignite with a highly efficient lignite, some so close in properties to anthracite that it has become known as "domestic" coal.

East vs. West

It is not our purpose to enter into technicalities regarding the analyses of coals produced in the Far East and the Far West, but rather to correct the impression that Nova Scotia coal is superior to all Alberta coals by stating definitely that Alberta produces bituminous coal in large quantities that is comparable with the best the Maritimes can mine and that Alberta further produces a free burning sub-bituminous coal and a hard domestic coal that is not produced elsewhere on the continent.

Actually the quality and suitability of the respective coals have no place in the issue. East and West produce large tonnages of first class coal quite capable of taking care of the requirements of all Canadians and those interested in the welfare of this Dominion.

Economic Issue

The issue posed by Dr. Stewart and those who have studied Canada's coal problems is termed an economic one, although why coal has been subjected to the arguments of the economic category more than other natural resources and commodities basic or otherwise is a matter for deep probing. The great industrial provinces of Ontario and Quebec have no coal deposits while East and West enjoy one fifth of the world's known supply.

Heading Canada's lists of imports is coal. Let all Canadians know that the half a billion dollars they have paid foreign mines and the $300 millions they have paid foreign carriers in the past 107 years have all come out of the pockets of the people of this Dominion, notably labor, railway workers and operators. These vast sums spent outside Canada represent a lost opportunity to create a corresponding amount of new wealth from our own coal deposits and benefit our own common carriers to say nothing of the effects of the turnover of such huge sums. In the course of a speech in the House of Commons on March 8 last, the Hon. Chas. A. Dunning drew attention to the velocity of the circulation of money and pointed out that it circulated over 21 times and bank deposits over 18 times in the year 1936.

National Policy Urged

The peoples of the East and West have survived the rigors of scores of winters and generated power through the use of their own coals. They are highly satisfactory coals. A national coal policy is required to give to Canadians their God-given right to utilize a wonderful natural resource placed in their country by a bounteous providence, but which to date they fall far short of realizing.

There is no more justification for treating the manufactures of the East on an economic basis than there is for perpetually drawing attention to the "uneconomical" suggestion that Canadian coal should be used in the acute fuel area.

In the last analysis it is a matter of Canadian unity. At the moment, Ontario and Quebec say in effect, in so far as coal is concerned: "We will sell to you, but we buy where we please" while the West says, "We want to sell where we buy."

C. P. BURGESS,
Managing Secretary,
Western Canada Fuel Association.

In the Mail . . . .

A Plea from B. W. I.

Editor, The Financial Post:

In the West Indies we find great difficulty in getting promptly the quotations of the Montreal and Toronto Stock Exchange. A few of them come through in the daily cables (and they must limit the number) but these are insufficient, as the needs of each individual ever varies. Further, there seems to be no short wave broadcasting station in Canada that we can reach with our radios.

We can get on our radio the quotations from London, and from New York, but not from Montreal and Toronto—the very ones we are most interested in.

This not only means that any of us who deal with the Montreal and Toronto Stock Exchange are at a terrible disadvantage, but many who would be glad to buy on these markets just do not.

I wonder if it would be of any use to bring this to the knowledge of any source that might help us. If Canada cannot broadcast the quotations daily, or even three or four times a week, may not arrangements be made to give us the quotations through some American station? This would be most helpful and would swell the volume of business from these parts on the Montreal and Toronto Stock Exchange. Could you either advise on this matter or bring these facts to the notice of the right authorities?

J. F. PILGRIM,
The Grammar School,
Antigua, British West Indies.

The Lure of P.E.I.

Editor, The Financial Post:

Thanks for your reference to my statement of the last term of the Georgetown Court in King's County.

Newspaper reports of what I said were slightly inaccurate. I did not say that in 17 years there had been no criminal cases on the docket—as a matter of fact, I remember two—one was a criminal lunatic who was sent to the insane asylum; the other was three boys who confessed and were let off on suspended sentence. What I did say was that I had yet to try a criminal in Georgetown, which is correct.

King's County, in which Georgetown, the circuit court is situate, consists of a native population—French, Irish, Scottish and some English residents; practically all the population are native and are occupied in farming and fishing and this accounts for the absence of serious crimes in the county. This is more or less true of the whole Prince Edward Island population and the province is wonderfully free of serious crimes.

Incidentally, we do not get as many Ontario people as we should like. I am sure if the Ontario people were better acquainted with Prince Edward Island, more of you would come over and spend a delightful vacation here. Our weather during July and August is delightful, our pastoral and marine scenery is unexcelled. We have hundreds of miles of the finest beaches in Canada, the temperature of the water in the summer ranges from 68 to 72 degrees which makes sea bathing very delightful and invigorating.

Your answer to this will be "why don't you advertise?" Unfortunately we are not able to expend the amount of money necessary to wide advertising. I have been connected with the tourist business in this province for the past 15 years and I was also one of the founders of the Canadian Association of Tourists and Publicity Bureau and was its first president for two years and am still on the board of directors.

We have here the most unique Chamber in all Canada, which we have named the Confederation Chamber. It was here that on Sept. 1, 1864, the delegates from Upper and Lower Canada and the Maritime Provinces met and laid the foundation of Confederation. We still preserve in the Chamber the tables around which the delegates assembled and the very chairs in which they sat. This Chamber is visited yearly by over 5,000 people. In no other place in Canada will be found such a historic Chamber and such historical furniture.

A. E. ARSENAULT,
Charlottetown, P.E.I.

As Others See Us . . . .

Censuring Editorial Columns

Canadian Statesman, Bowmanville

On the editorial page in our last issue we featured about a score of editorial references in Canadian newspapers to the guest editorials which appeared during the editor's absence in the West. The Financial Post sharply criticized one editorial which appeared in the Town Council contribution, and claimed that the editor must assume responsibility for what appears in his editorial columns. Under the heading "A Deserved Roast" the St. Catharines Standard also takes The Statesman to task and says in part, "The longer we live the more it is appreciated that the last place in the world for wild statements is in the editorial columns."

We are inclined to agree with both The Financial Post and the St. Catharines Standard that an editor has an obligation to his community not to let his paper become "the vehicle for mendacious propaganda." However, the very fact that we published in our first issue after arriving home such criticisms as those of The Financial Post proves that we are quite open to criticize the editorials which appeared in our absence. With a knowledge of the writer of the editorial which received the rebuke of these other newspapers we know that it was sincerely written, and while he may have been mistaken in some of the figures he quoted, and in some of the theories advanced, nevertheless we do not consider it "mendacious propaganda."

We are quite willing to accept responsibility for the articles written in our absence, and to correct them where we feel that the writers may have strayed in their reasoning. To bar them the opportunity, however, of voicing their opinions, either through the method used, or some other method, as long as the opinions are expressed in good faith, would be against the fundamental principle of free speech.

Stop Me If . . .

Scotsman (at riding academy): "I wish to rent a horse."

Groom: "How long?"

Scotsman: "The longest you've got, there'll be five of us going."

Week in Business

Business is Cramped By War Uncertainties

Normal business cannot compete with war and rumors of war. Until high tension in Europe eases one way or another, corner-store customers and purchasing agents for mammoth corporations are both sitting on the fence, buying warily. They realize that, with war, certain commodities are almost sure to soar. But they also realize that if there is to be no war, then there is no guarantee that even present prices will hold. It is the uncertainty of the present situation that is hamstringing business.

Unfortunately for Canada, possibility of war in Europe is not the only uncertainty. A new trade agreement with the United States and a revision of the Ottawa preferences in the British market are also hanging over the heads of business. A pronouncement is awaited almost hourly.

Canadian importers are not positive that the special 3% tax on all imports from foreign countries is going to go. It is likely that this impost will be lifted but until the official announcement is made big importers can hardly take the risk of loading up with shipments for the Christmas and winter trade.

* * * *

Until these major uncertainties are cleared away it is going to be difficult indeed to determine business trends, although generally speaking the immediate picture continues fairly satisfactory. The Financial Post Business Index for August showed some slight recession following early summer strength, but decline was traceable mostly to war-scared foreign trade and stock market weakness.

Basic barometers continued fairly firm. Carloadings have been getting stronger for the last month, though the gain has been almost entirely confined to western grain. Department store sales in August jumped 10% over July and were within 4% of a year ago.

Business Indicators

Current business activity continuing pick-up from slack pace in August, D.B.S. index for week of Sept. 10 moving full point over preceding period in contrast with decline shown by The Financial Post Business Index for August.

Carloadings for week of September 10 below last year, chiefly because of Labor Day holiday and rain-slowed grain deliveries to western elevators.

Automobile production of passenger and commercial vehicles combined 33% in August below same month last year, with export volume continuing lag.

Current trend in Canadian business shown by The Financial Post index of business activity, with new figures for the week marked thus ▲.

	Sept. 10	Sept. 3	Aug. 27	Aug. 20	Sept. 11/37
Weekly index, D.B.S.	110.4	109.4	107.4	107.7	113.9
Commodity prices	74.0	74.6	75.1	75.8	84.6
	Aug.	July	June	May	Year Ago
Financial Post index	108.3	109.0	109.6	109.6	123.8
Retail trade index no. of sales	....	69.6	81.4	80.3	74.2
Dept. store sales "	74.7	75.6	74.4	73.4	80.3
Wholesale index no. of sales	....	90.6	100.3	95.5	97.4
Country sales (% of gains)	....	*4.2	1.6	*2.2	13.7
Employment D.B.S. Index—					
	Aug. 1	July 1	June 1	May 1	Year Ago
All industries	112.1	113.5	111.9	107.4	120.1
Manufacturing	110.0	111.8	112.3	110.6	118.1
Wage earners, No. (000)■	....	....	2,338	2,304	2,453
Living costs♦	$17.90	$17.45	$17.43	$17.36	$17.20
				Jan. 1 to date	
Railways—	1938	1937		1938	1937
Carloadings, week (Sept. 10)	▲51,820	54,849		1,605,238	1,762,005
C.N.R. gr. earn., wk. (Sept. 14) $	▲4,193,777	$ 4,149,716		$ 120,370,874	$ 136,033,774
C.P.R. gr. earn., wk. (Sept. 14) $	▲3,497,000	$ 3,233,000		$ 91,586,000	$ 97,057,000
C.P.R. net revenue (July) $	507,337	$ 1,095,461		$ 3,188,365	$ 9,355,614
C.N.R. net revenue (July)	•96,958	958,900		•5,766,941	7,626,848
Iron and Steel (July)—					
Pig iron production (tons)	51,238	79,736		455,396	503,680
Steel ingots and castings prod. (tons)	83,927	122,968		754,668	836,145
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (July)	6,206	9,459		67,229	86,121
Factory output (August)	▲3,063	5,814		84,438	115,884
Trucks and Buses:					
Domestic sales* (July)	2,067	3,067		17,652	20,803
Factory output (August)	▲3,389	4,928		33,179	41,364
Exports (August)	▲3,912	8,802		43,632	51,416
Financing (July)—					
Used $	3,675,293	$ 3,919,664		$ 23,146,388	$ 23,146,207
New $	2,701,816	$ 4,375,854		$ 22,747,476	$ 28,094,133
Construction—					
Cons. contracts (August) $	22,113,400	$ 24,830,800		$ 123,926,800	$ 156,691,900
Cement, bbls. (June)	749,047	752,683		2,167,461	2,090,006
Clay (June)	428,527	485,917		1,564,088	1,596,548
Gypsum, tons (June)	158,521	161,978		337,194	377,908
Agriculture—					
Flour prod., bbls. (July)	928,722	1,089,159		6,439,851	7,148,658
Flour exp., (Aug.)	286,270	288,608		2,220,586	2,700,279
Wheat exp., bus. (Aug.)	6,266,055	6,544,967		39,298,031	58,871,691
Cattle sales (July)	64,127	99,080		387,976	464,533
Hog sales (July)	43,619	73,276		409,863	597,087
Sea Fisheries (July)‡—					
Catch, cwts.	958,965	1,056,990		4,067,580	4,129,123
Landed value	2,559,475	2,637,640		8,639,207	9,378,988
Newsprint (tons)—					
Production (August)	▲220,303	319,876		1,682,720	2,423,830
Exports (July)	200,836	305,163		1,304,122	1,936,686
Mining and Oils—					
Coal prod., tons (July)	814,910	1,145,334		1,722,119	8,183,559
Coal imports, tons (July)	1,479,544	1,886,445		6,466,235	8,134,431
Gold prod., fine oz. (July)	▲420,778	347,716		2,638,946	2,323,704
Nickel prod., lb. (June)	16,327,169	20,959,736		108,995,141	111,386,337
Copper prod., lb. (June)	48,489,958	42,549,292		292,048,917	243,604,966
Crude pet. prod., bbls. (June)	537,654	209,181		2,919,425	1,061,681
Crude pet. imp. bbls. (July)	4,066,571	4,706,379		17,518,032	19,070,663
Electric Power Output (July)—					
Total monthly m.k.w.†	1,987,754	2,188,055		14,702,795	15,944,187
Trade—					
Imports (July) $	55,822,529	$ 71,995,940		$ 392,514,764	$ 452,811,629
Exports (August) $	86,437,952	$ 103,338,590		$ 580,837,398	$ 729,288,461
Other Industrial Factors—					
Dressed lumber, exp.:					
M. bd. ft. (July)	155,910	171,241		922,002	1,033,875
Boot & shoe prod., pr. (July)	1,626,772	2,055,533		12,573,625	14,538,744
Cotton, raw, imports, lb (July)	7,588,000	12,324,000		71,694,000	92,395,000
Raw rubber imp., lb. (July)	6,015,658	4,419,499		31,361,166	37,746,689
Cigarette cons. (Aug.) No.†	▲668,798	663,989		4,539,360	4,374,163
Sugar manufactured, lb.§	100,705,387	92,364,014		470,846,295	435,152,152
Finance—					
Bank debits (July) $	2,466,370	$ 2,720,738		$ 17,051,439	$ 20,906,745
Bond sales (August) $	▲51,358,000	$ 51,113,800		$ 775,662,361	$ 880,211,365
Life insurance (July) $	30,126,000	$ 32,040,000		$ 220,175,000	$ 225,156,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to Aug. 13, 1938.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
♦For average family per week, food, fuel, rent. •Deficit. *Decrease.
■Estimated in employment.

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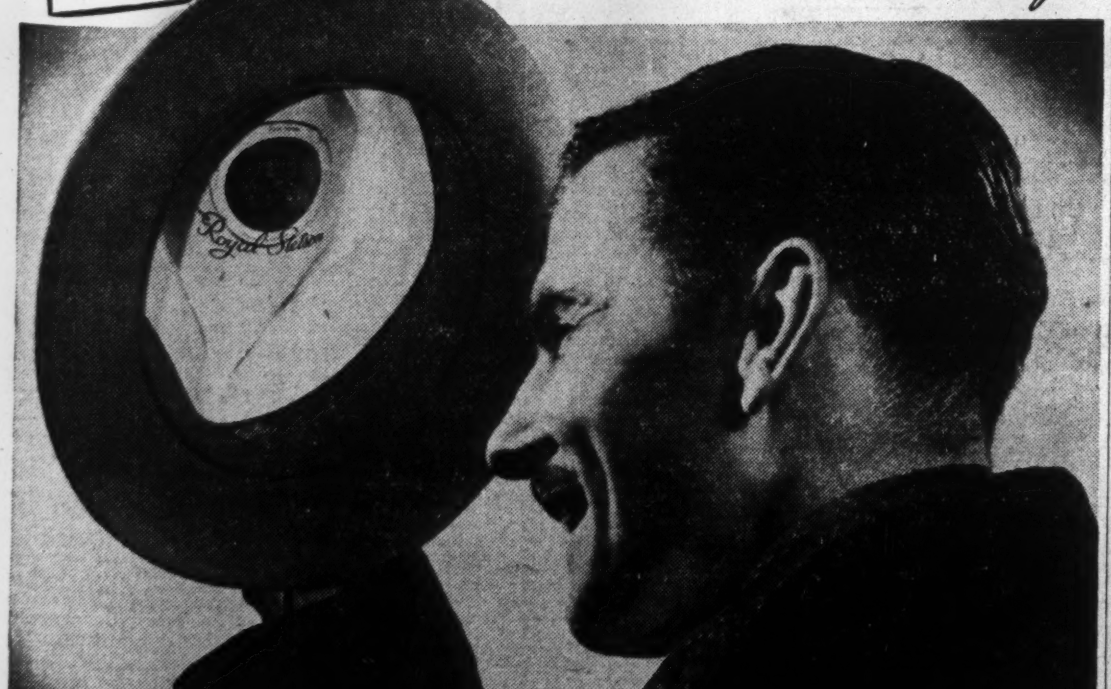
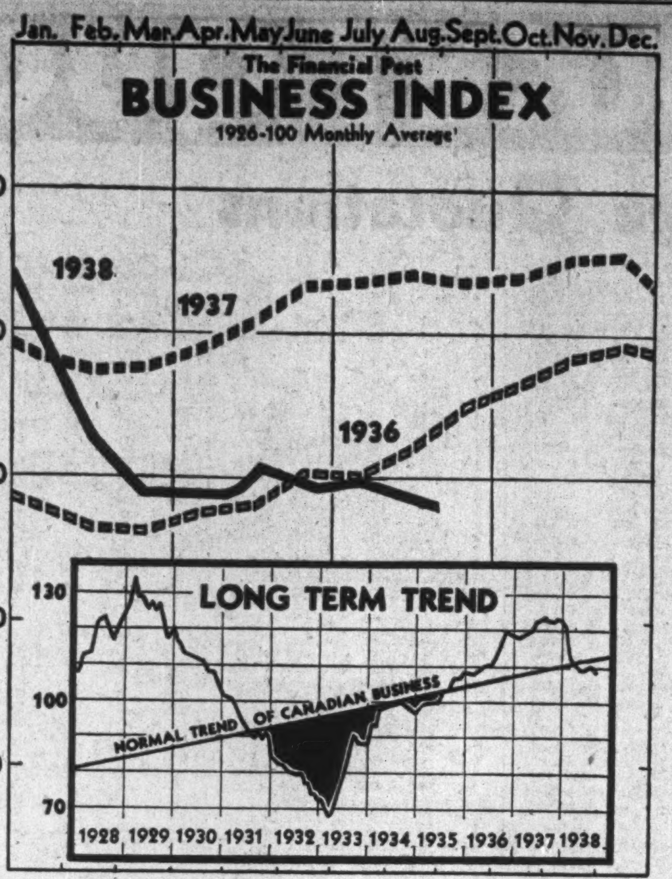


JOHN B. STETSON COMPANY (CANADA) LIMITED, BROCKVILLE, ONTARIO



BUSINESS PACE EASES

Trend of business activity in Canada turned downward in August, to a minor extent in comparison with the preceding month but more substantially in relation to the same month in 1937, it is shown by The Financial Post Business Index. The August movement reflected by the index widens the lag behind last year, the drop below August, 1937, being nearly 13%, while the decrease in a similar comparison in July was only a little over 11%. The revised index for July fell slightly below June, reversing the modest gain shown by the provisional July index.

The easing of the business pace occurred in the face of favorable developments in some fields, such as record gold shipments and increases in the year-to-year comparison in regard to bond yields, copper exports, and bauxite imports. Activity was accelerated in the food and textile industries. These advances were more than offset, however, by marked declines in common stock prices and exports of nickel, zinc, asbestos and lumber products. Newsprint production and steel output made a favorable showing in relation to the July figures, but were over 30% below the levels of August last year. Continued slackness was displayed in the automotive group of industries—auto and tire production and gasoline import.

Major Economic Factors

		Aug., 1938	Aug., 1937	% Change	July, 1938
Financial Post Business Index*		108.3	124.4	—12.7	†109.0
Common stock prices*		105.2	135.2	—22.2	106.9
Capitalized bond yields*		159.5	146.8	+ 8.7	159.5
Bank deposits*		122.3	119.4	+ 2.4	121.8
Copper exports	cwt.	460,864	396,057	+16.4	472,184
Nickel exports	cwt.	150,359	215,743	—30.3	145,765
Zinc exports	cwt.	176,643	375,730	—53.0	273,806
Asbestos exports	tons	12,759	19,808	—35.6	14,170
Bauxite imports	cwt.	716,794	508,925	+40.9	1,304,706
Sugar manufactured	lbs.	100,705,387	92,364,014	+ 9.0	86,266,450
Cattle slaughtered	No.	132,017	149,526	—11.7	126,501
Hogs slaughtered	No.	194,316	213,761	— 9.1	172,244
Factory cheese content fat	lbs.	19,464,722	21,742,993	—10.5	21,183,060
Butter creamery, production	lbs.	35,165,484	31,605,358	+11.3	39,010,048
Cigarette releases	No.	668,798,289	663,93[illegible],728	+ 0.7	838,702,995
Newsprint production	tons	220,303	318,713	—30.9	202,546
Plans and boards exports	ft.	14,720,500	17,001,700	—13.4	16,591,000
Steel output	long tons	82,781	126,695	—34.7	83,927
Contracts awarded	$	22,113,400	24,830,800	—10.9	21,158,200
Carloadings	No.	213,082	231,038	— 7.8	182,643

*1926=100. †Revised.

Background of Business

Big Tobacco Crop

Canada's tobacco crop this year is expected to total well over 70,000,000 pounds, up about 10,000,000 pounds from last year. Sales value cannot be definitely fixed until harvesting and curing has been completed but it is expected that last year's total value of approximately $17 millions will be equalled, if not exceeded. Quality is better this season.

Acreage and crop have steadily increased in the last 10 years, production this year being estimated at triple the 10-year average. Bulk of the crop is grown along the north shore of Lake Erie in Ontario though there are smaller districts in Quebec and British Columbia.

* * *

New Customs Act

Some time this winter, it is expected a brand new customs act will be laid before Canada's Parliament for approval. For more than a year an inter-departmental committee of high-ranking civil servants headed by H. D. Scully, Commissioner of Customs, has been working on a complete revision of the present act.

For years customs classifications have been criticized as ambiguous and complicated. The charge has further been made that too much is left to the discretion of customs officials and that phraseology is so loose that varying interpretations can be applied to it.

Canadian customs classifications are not uniform with those of some of our most important trading customers, notably United States and Great Britain. Neither, in turn, are British classifications similar to American. This whole matter has led to a special study of the League of Nations which recently has approved of a standard customs classification. If adopted by leading trading nations in the world this would greatly simplify the work of trade negotiators.

* * *

Bacon Exports Slip

Canadian agriculture is still suffering serious effects from the drought in western Canada last year. Current bulletin of the Canadian Meat Packers estimates that bacon exports this year to date are down 20 million pounds from a year ago. Previous to 1938 Canada had been making steady progress in building up a bacon export to Great Britain and last season was coming within striking distance of our protective quota of approximately 280 million pounds.

Shipments in recent years have been as follows:

1935	125,000,000 pounds
1936	150,000,000 pounds
1937	195,000,000 pounds

Export authorities regard the current shrinkage in Canadian bacon shipments as most serious because there is little hope of Britain extending a large quota indefinitely unless such is filled and filled continuously. Last year's drought which seriously reduced feed supplies in a large part of western Canada was a blow to these exporters' hopes.

Foreign Business

Trends of business conditions in foreign countries are summarized as follows by the United States Department of Commerce:

China—Efforts being made to stimulate foodstuffs production and expand industrial output in Chinese-controlled areas; farmers in North China are shifting from industrial to food crops.

Japan—The business outlook improved somewhat by further gains in export trade and reports of better United States business conditions, but the tense European political situation, control measures, and damage from floods and typhoons are depressing factors; the autumn cocoon crop has suffered losses from floods and storms and the quality is reported to be generally inferior.

India—Little change has occurred in business activity but local sentiment is somewhat better; July wholesale and retail transactions were considerably below last year; exports in the first half of this year show a decline of 31% in value, and imports a slight rise.

Hawaiian Islands—Retail and other lines of trade continued to improve during August; the sugar industry is suspending bonus payments as a result of low prices; home construction remains active.

Turkey—Imports in the first half year made a sharp gain and exports a very small increase; the import rise being due largely to purchases of iron and steel manufactures and machinery.

Ontario Hydro Primary Power Load Above '37

A small increase was shown in the primary power load of Ontario Hydro for August as compared with the same month of 1937. The effect of a seasonal increase in power demands is shown by the jump from July totals.

The important Niagara system is still slightly below a year ago in its takings of primary power. As it is primary power taken under firm contract that is the best indicator of industrial and general business activity in this section of the province, it seems to be indicated that business generally in the area served by the Niagara system is not far from last year's level and is approaching closer.

The rate of gain, ignoring the seasonal factor, is faster this year. Primary power load of the Niagara system for July, 1938, was 891,957 h.p. and has gained to 936,461 h.p. for August, up 4.98%. In 1937, the increase from July to August was from 916,489 h.p. to 939,276 h.p., a rise of 2.48%.

The Thunder Bay district makes a comparatively unfavorable showing with a drop of 7.3% in primary load but eastern Ontario, Georgian Bay and northern Ontario districts all show gains over the corresponding month of 1937.

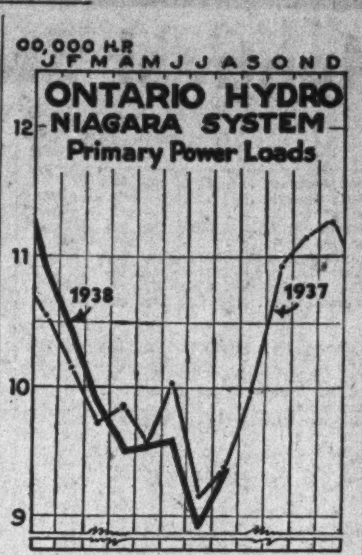
When the combined primary and secondary power loads are considered the aggregate gain is larger. Niagara shows a rise of 4.7%, eastern Ontario 2.6% and Georgian Bay 5.8%. Decreases of 6.2% and 2.8% are shown by Thunder Bay and northern Ontario respectively.

Comparative figures follow while the trend of primary power load for the Niagara System is illustrated in the accompanying chart.

Maximum 20-Minute Peak Horsepower

Primary Load: System:	1938 Aug.	1937 Aug.	Incr. %
Niagara	936,461	939,276	—0.3
Eastern Ont.	117,332	109,236	+7.4
Georgian Bay	34,658	32,755	+5.8
Thunder Bay	77,922	84,035	—7.3
Northern Ont.	134,512	123,809	+8.6
Total	1,300,885	1,289,111	+0.9
Primary and Secondary Loads:			
Niagara	1,129,356	1,078,418	+4.7
Eastern Ont.	147,232	143,552	+2.6
Georgian Bay	34,658	32,755	+5.8
Thunder Bay	120,979	129,021	—6.2
Northern Ont.	166,013	170,726	—2.8
Total	1,598,238	1,554,472	+2.8

Canadian Pacific—The thought that investors have overlooked the potential benefit for C. P. R. through its holdings of Consolidated Smelters stock from the recent formation of a lead cartel is suggested by The Investors' Chronicle, London.



Foreign Exchange

Foreign exchange markets during the week have continued highly nervous and irregular. Sterling after touching $4.79⅜ showed some improvement as hopes of a peaceful settlement of the Sudeten difficulties grew. Within two days it swung back to $4.82⅜ at New York. The market generally, however, remains subject to fluctuation as news is good or bad.

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
Sept. 19	1.00⅝	1.00½
Sept. 17	1.00⅝	1.00$\frac{9}{16}$
Sept. 16	1.00$\frac{11}{16}$	1.00$\frac{9}{16}$
Sept. 15	1.00$\frac{11}{16}$	1.00½
Sept. 14	1.00$\frac{11}{16}$	1.00⅝
Sept. 13	1.00$\frac{11}{16}$	1.00½

U. K. Pound	Closing	Last Year
Sept. 19	4.83¼	4.96⅛
Sept. 17	4.82¾	4.96¾
Sept. 16	4.82¾	4.95½
Sept. 15	4.83½	4.95$\frac{7}{16}$
Sept. 14	4.82½	4.95⅛
Sept. 13	4.83⅛	4.95⅜

Other Currencies, Sept. 19

Australia	3.87	Italy	.0529¼
Belgium	.1698½	Japan	.2815¾
Czecho.	.0347	Jugoslavia	.0234¼
Denmark	.2158	N. Zealand	3.90
France	.0270⅞	Norway	.2428½
Germany	.4023½	S. Africa	4.82½
Greece	.0089	Sweden	.2492
Holland	.5417¼	Switzerland	.2270¼
Hungary	.1991¼	Hong Kong	.3019⅞
India	.3620½		

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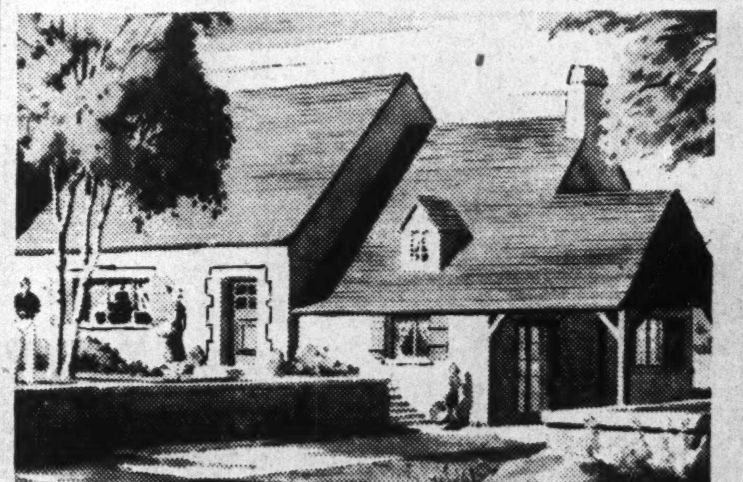
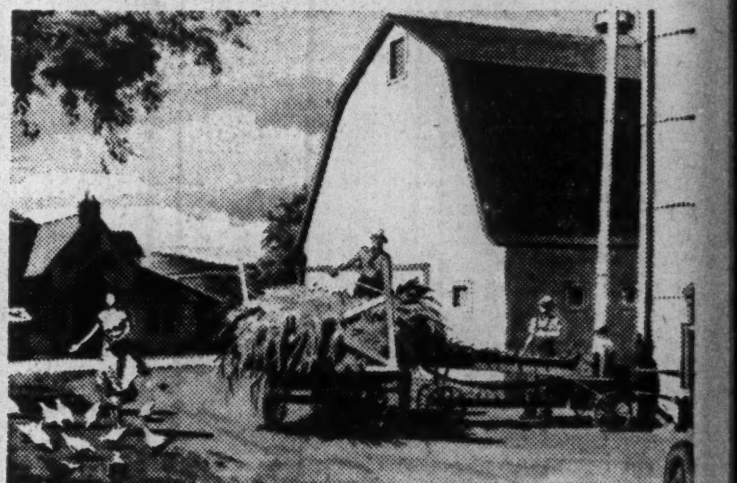
How your life insurance money comes home to boost!

1. Perhaps you've sometimes wondered what happens to the money you pay as life insurance premiums. Is it locked in a vault for safekeeping? No. The money not required for current claims and expenses is put to work. It is carefully invested in first mortgages on real estate and securities paying a fixed rate of income, where the borrowers who are responsible to the insurance company for the payment of interest and the repayment of principal also manage and control the enterprise.

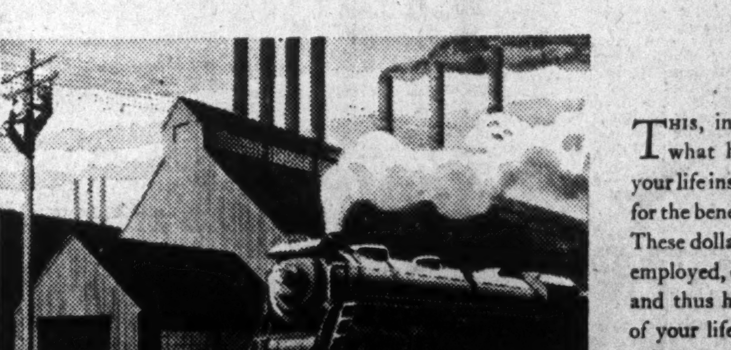
2. For instance, millions of dollars, held by Metropolitan for the benefit of its 29 million policyholders in Canada and the United States, are invested in Dominion and Federal, Provincial and State, county, and municipal bonds. You've seen *these* dollars come home to *boost* your community—in new roads, bridges, schools for your children, and a multitude of other public improvements.



3. Metropolitan has invested other millions of dollars in city real estate first mortgages. The chances are that right in your own community there are homes, stores, and office buildings that life insurance dollars helped to build . . . money that comes home to make your community a better place in which to live.



4. Still other life insurance dollars are sent out to work on farms—are invested in farm mortgages. Spread through the farming sections of many states, these dollars help farmers produce better crops, protect fertility of land, get needed equipment, and keep buildings in proper repair.



5. Life insurance dollars also have been busily at work in transportation, utility, and industrial bonds—helping to keep factories humming and men in jobs, helping to bring goods to you, and to move what you and your neighbors had to sell to other markets.

This, in part, is the story of what happens to the dollars your life insurance company holds for the benefit of its policyholders. These dollars are kept constantly employed, earning *more* dollars—and thus helping to pay the cost of your life insurance.

But your life insurance company's first responsibility is to *safeguard* these dollars. For eventually, when the need arises, the dollars contracted for in your policy must be paid to you—you, or your loved ones.

This is Number 5 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements will be mailed upon request.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
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Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT
CANADIAN HEAD OFFICE
OTTAWA

STOCK AND BOND MARKET QUOTATIONS

Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING SEPTEMBER 19

Range 1938 High	Range 1938 Low	Div R'te $	Sep17 Y'ld %		Sales	Last Sept. 12	Week end. Sept. 19 H	L	Cl'se
				A					
4.75	1.00	.	...	Abitibi	39716	2.87	3.00	1.50	2.50
29	8½	.	...	Do. pref. 6%	13942	20½	22	13½	17
38	25	.	...	Do. pref. 7%	....	(20 bid — asked)			
26⅞	9	.	...	Do. cert. dep.	10	26⅞	22	22	22
4½	4½	30c	...	Acadia Sugar	....	(3 bid 4½ asked)			
7	5	50c	...	Acme Glove	....	(— bid 5½ asked)			
82	60	6.50	10.8	Do. pref.	5	70	60	60	60
11	8½	60+20c	8	Agnew Surp.	55	10	10½	10	10
110	103	7	6.6	Do. pref.	10	106	108	106	106
5½	2	.	...	Alta. Pac. Gr.	550	3⅛	3⅛	2½	2½
29	10½	.	...	Do. pref.	35	28	26	20	20
127	75	.	...	Aluminum	150	118	109	105½	105½
107	107	6	5.6	Do. pref.	....	(105½ bid — asked)			
3	2	.	...	Amal. Electric	....	(— bid 3 asked)			
30	25	.	...	Do. pref.	....	(23 bid 25 asked)			
26½	23	60+$1	..	Amer. Cyn. B.	....	(— bid 25 asked)			
91½	47	2+1.50	4.7	Asbestos	4077	85	85	71	77
16	11½	80+25c	7.7	Assoc. Brew.	400	15½	15	13½	13½
111½	106⅞	7	6.3	Do. pref.	....	111½ bid 118 asked			
6½	6½	.	...	Assoc. T. & T.A.	....	(— bid 8 asked)			
43½	34	84c	...	Do. pref.	....	(— bid 37½ asked)			
101	100	5.50	5.5	Ault & Wiborg.	....	(100 bid — asked)			
				B					
164	160	8	4.9	Bk. Can. Nat.	21	163	163	163	163
223	195	8	3.8	Bk. Montreal	351	212	214	210	212
310½	290	12	4	Bk. N. Scotia	37	309½	310	300	300
249	227	10	4.2	Bk. Toronto	15	238	237	236	236
6	5	.	...	Barcelona	....	(4½ bid 14 asked)			
9	4½	96c	...	Barker's Bread	....	(4½ bid 5⅞ asked)			
40	30	2.50	8.3	Do. pref.	....	(— bid 40 asked)			
11½	6½	25c	...	Bathurst Pr.	4531	8⅞	9	7	7½
5	2	.	...	Do. (B)	455	4	4	2	2½
2⅞	1	.	...	Bawlf Grain	325	1½	1½	1	1½
29	15	.	...	Do. pref.	....	(— bid 24 asked)			
2	2	.	...	Beath & Sons	....	(1⅞ bid 2 asked)			
15	7	.	...	Beatty Bros. A.	315	9½	9⅞	7	7½
106	90	6	5.9	Do. pref.	....	100 bid 101½ asked			
105	80	7	7.2	Do. 2nd pref.	....	(— bid 99 asked)			
5⅞	2	.	...	Beauharnois	3352	2⅞	2⅞	2½	2⅞
*107	100	4	3.8	Belding Cort.	....	(— bid 100 asked)			
135	129	7	5.3	Do. pref.	....	(— bid 131 asked)			
166½	146½	8	2	Bell Telephone	1100	164	165	158½	160½
11⅞	7	50+12½c		Biltmore Hats	100	8	7	7	7
5	3	.	...	Blue Ribbon	50	3½	3½	3½	3½
35	25	2	8	Do. pref.	21	26	26	25	25
25	21	1.30	5.4	Brant. Cord. pf.	....	(— bid 24 asked)			
14½	7½	1	...	Brazilian Tr.	21388	10½	10⅞	8⅞	10
7½	4	50+50c	..	Brew. & Distil.	50	4½	5	4	4
6	5½	30c	...	Bright, T. G.	....	(5 bid — asked)			
80	77	6	7.8	Do. pref.	....	(65 bid — asked)			
21⅞	16⅞	1	5.2	Brit. Amer. Oil	6167	20	21	18	19½
16	9	.	...	B. C. Packers	255	13	12½	12	12
34	25	2	6.9	B. C. Power A.	650	29⅞	30	29	29½
5½	2½	.	...	Do. (B)	280	3⅛	3½	3	3
4⅛	2½	.	...	Bruck S. Mills.	745	3⅛	3⅞	2⅞	3
60	37	2+50c	5	Building Prod.	315	52½	52½	49½	51
24½	9½	60c	4.9	Burlington Steel	10	12	12½	12½	12½
3	2	.	...	Burry Biscuit	....	(— bid 4 asked)			
*60	30	3	...	Do. pref.	....	(— bid — asked)			
25	16½	1.20	5.7	Burt, F. N.	120	24	23	21	22
				C					
85	85	.	...	Calgary Power	....	(80 bid — asked)			
88	83½	6	6.8	Do. pref.	....	(— bid — asked)			
7	2	.	...	Canada Bread	225	4½	4	4	4
92½	80	5	5.4	Do. pref.	....	(92 bid — asked)			
50	40	2.50+12½c▲		Do. pref. B.	60	45	45	45	45
9	3½	40c	10.7	Canada Bud	485	4	4	3½	4
13	7	.	...	Canada Cement	3730	9	9⅞	7	8
110	84½	4.50+2▲	..	Do. pref.	808	93½	93½	90½	91
27⅞	23½	12½c●	..	C. & D. Sugar	730	25	25	23½	24
b21½	12½	25c	...	Canada Dry	13600	16⅞	17	13½	14½
17	9	1.25	...	Can. Forg. (A)	60	12	9	9	9
10	7½	.	...	Do. (B)	....	(9 bid — asked)			
30	30	.	...	Can. Iron	....	(30 Apr. 7)			
70	70	3.50	...	Do. pref.	....	(50 bid — asked)			
36½	28	1.50+50	6.8	Can. Malting.	770	31	31½	29½	29½
20	16⅞	1.20	7.2	Can. Nor. Pr.	5	16⅞	16⅞	16⅞	16⅞
110	103	7	6.4	Do. pref.	535	109⅞	110	109⅞	109⅞
72	58	3	4.3	Can. Packers	10	70	70	70	70
7	1⅞	.	...	Can. Paving, pf.	....	(— bid 2 asked)			
150	128	8	6.2	Can. Perman.	34	136	135	130	130
7	6	50c	...	Can. Starch	....	(6½ bid 7½ asked)			
107	105	7	6.7	Do. pref.	....	(105 bid — asked)			
4⅞	1½	.	...	Can. Steamsh's.	728	2½	2½	2	2½
16½	6½	50c●	..	Do. pref.	458	11	11	8	8½
17½	13	1.20	8.6	Can. Vinegars	120	15	14½	14	14½
67	47	.	...	Can. W. Cable.	70	49	49	49	49
22	15	.	...	Do. (B)	50	16	16	16	16
97	96½	6.50+10▲		Do. pref.	....	(— bid — asked)			
3	1½	.	...	Can. Bakeries	....	(— bid — asked)			
30	25	.	...	Do. pref.	95	25	25	25	25
178	157	8	4.6	Can. Bk. Com.	55	175	174	168	170
2.50	1.05	.	...	Can. Breweries	7800	1.55	1.50	1.05	1.25
32	14	2	11.8	Do. pref.	840	18⅞	17	17	17
41	28½	1.50+50c.		Can. Bronze	120	38½	38½	36½	38
106	102⅞	5	4.8	Do. pref.	....	(104 bid — asked)			
6	4	.	...	Can. Canners	....	(4 bid 4½ asked)			
19	15½	1	5.9	Do. 1st pfd.	105	17⅞	17⅞	17	17
9	6½	60c	8.5	Do. 2nd pfd.	426	7½	7⅞	7	7
18½	7½	.	...	Can. Car & Fd'y	20878	14⅞	15½	10	12⅞
30	18½	1.75	6.8	Do. pref.	3165	28½	28⅞	24	26½
20	9	.	...	Can. Celanese	300	13	10	9	10
107	88	7	7.8	Do. pref.	106	95	90	88	90
20	15	1	...	Do. Rights	....	(16 bid — asked)			
10½	6	.	...	Can. Convert.	105	8½	8	8	8
76	63	4	5.6	Can. Cottons	....	(65 bid — asked)			
08	99	6	6.1	Do. pref.	10	99	99½	99	99
35	16	.	...	Can. Dredge	80	18	16	16	16
02	100	6	6	Can. Fairb. pf.	....	(105 bid — asked)			
19	7	1.60	...	Can. For. Inv.	110	9	8	7	7
05	100	8	8	Do. pref.	....	(— bid 101 asked)			
94	*170	6	3.5	Can. Gen. Elec.	....	(— bid 200 asked)			
8½	7½	50c	5.9	Can. G. Inv.	....	(8 bid — asked)			
4⅞	1⅞	.	...	Can. Ind. Alc.	2319	2½	2⅞	1⅞	2½
4	1½	.	...	Do. (B)	585	2½	2	1⅞	2
09	178	4.50	...	Can. Indust. B.	....	(— bid — asked)			
35	155	7	4.2	Do. pref.	....	(— bid — asked)			
00	1.00	.	...	Can. Int. I. Tr.	....	(.50 bid .90 asked)			
80	70	5	...	Do. pref.	....	(— bid 77⅞ asked)			
15½	13	1	7.4	Can. Lt. & Pr.	25	13	13½	13½	13½
10½	5½	.	...	Can. Locomo.	75	8	7½	7	7
35	.90	.	...	Can. Marconi	2610	1.05	1.05	.90	.90
6	10	50+12½c	5	Can. Oil	1020	12½	12½	10⅞	10⅞
23	110	8	6.8	Do. pref.	11	118	118	118	118
8½	5	.	...	Can. Pacific	21514	6	6½	5	5⅞
0	.50	.	...	C. Pr. & Pa. In.	225	1.00	1.00	.75	.75
0	4½	.	...	Do. pref.	....	(3 bid — asked)			
1½	3	.	...	Can. Vickers	1190	8½	8	5	5⅞
5	15	.	...	Do. pref.	20	42	35	30	30
0	8	1	10	C. Wallpaper A.	....	(— bid 20 asked)			
2	12	1	8.3	Do. (B)	....	(— bid 19 asked)			
2	50	2	3.8	Can. West'ho'se	....	(— bid — asked)			
0	1.95	15c	...	Can. Wineries.	635	3.25	3.25	3.00	3.00
	17	1.50	8.3	Can. Wire Box.	15	19	18	18	18
5	1.75	.	...	Capital Estates	....	(— bid 1.70 asked)			
	98½	5	4.3	Carnation, pfd.	....	(— bid 104 asked)			
	3	25c	...	Catelli Food	....	(— bid 5 asked)			
	7	75c	...	Do. pref.	....	(— bid 12 asked)			
	1⅞	.	...	Celtic Knit.	....	(1⅞ bid — asked)			
	170	8	4.7	Cent. Can. L'n.	....	(— bid 170 asked)			
	99	4	4	Chartered Trust	....	(95 bid 102 asked)			
	.25	.	...	Chem. Research	1900	.45	.45	.35	.35
	.25	.	...	City Gas & El.	....	(.25 bid — asked)			
	.10	.	...	Claude Neon	1600	.15	.15	.10	.15
1.15	1.20		10	Coast Brew.	1275	1.25	1.23	1.15	1.15
	6⅞	.	...	Cockshutt Plow	3290	9½	9⅞	7	8½
	.90	.	...	Comm. Alcohol	845	1.25	1.25	1.00	1.00
	4	40c	9.4	Do. pref.	100	4½	4½	4	4
	4	20c	...	Conduits Nat.	....	(— bid 4 asked)			
	11½	1	7.2	Cons. Bakeries.	45	14½	14	12⅞	12⅞
	3½	.	...	Cons. Paper	47287	7	7½	4⅞	5⅞
	10	1	10	Cons. Press	15	10	10	10	10
	70	3.50	...	Cons. Sand, pf.	45	80	78	78	78
	46½	50c+50c		Cons. Smelters.	11864	57	57⅞	49	54
	175	10	5.7	Consumers' Gas	74	179	177	175	175
	60	.	...	Corr. P. Box, p.	....	(— bid 60 asked)			
	16	1+25c	6.8	Cosmos Imp.	137	22½	18½	18	18
	101½	5	4.8	Do. pref.	....	(104½ bid — asked)			
	16½	1	5.5	Crown Cork	275	19	18	18	18
	1½	.	...	Crown Dom. Oil	....	(1½ bid 2 asked)			
	29	4.50	...	Crow's N. Coal	100	31	31	31	31
				D					
	3	60c+10c	10	David & F. A	15	8½	7	7	7
	.50	.	...	Do. (B)	....	(— bid 1.00 asked)			
	5	.	...	De Havilland	115	10	10	10	10
	65	.	...	Do. pref.	10	66	69	69	69
	3	.	...	Disher Steel	....	(2⅞ bid 4½ asked)			
	15½	80c	...	Do. pref.	....	(7½ bid 16½ asked)			
	11	1.50	...	Distill-Seagram	5570	15½	15½	13	14½
	66½	5	6.7	Do. pref.	130	78	75	75	75
	..	.	...	Dom. Ang. Inv.	....	(— bid 90 asked)			
	96	5	...	Do. pref.	....	(70 bid — asked)			
	189	10	4.9	Dom. Bank	49	210	210	205	205
	21	1.20	4.3	Dom. Bridge	3237	32	33½	27	29
	15½	1.50	9.4	Dom. Coal, pf.	500	16½	17½	15⅞	15⅞
	21	50c	...	Dom. Engineer.	30	38	34	34	34
	21	1.30	...	Dom. Foundries	260	40	41	36	36
	98	6	5.9	Do. pref.	....	(99 bid — asked)			
	96⅞	5	4.9	Dom. Glass	20	105	102	100	102
	144	7	4.8	Do. pref.	10	148	147	147	147
	32	.	...	Dom. Oilcloth	....	(30 bid — asked)			
	⅞	.	...	Dom. Scot. Inv.	....	(⅞ bid 1 asked)			
	29	1.50	...	Do. pref.	15	33	30	30	30
	9	.	...	Dom. St. & C.B.	38583	12½	10⅞	10	10½
	4½	.	...	Dom. Stores	804	5½	5⅞	4⅞	4⅞
	4½	.	...	Dom. Tar & Ch.	3750	6	6½	4½	5½
	71	5.50	7.2	Do. pref.	....	(— bid 80 asked)			
	58	5	7.9	Dom. Textile	275	65½	66½	63	63
	40	7	5	Do. pref.	15	140	140	140	140
	3½	.	...	Donnacona P.A.	3687	5⅞	6	3⅞	5
	3	.	...	Do. (B)	750	5	5½	3½	3⅞
	4	.	...	Dryden Paper	870	6	6	4½	5
				E					
	1	.	...	East Koot. Pr.	....	(⅛ bid 1½ asked)			
	6	.	...	Do. pref.	75	8	8	8	8
	55	.	...	East. Dairies	....	(— bid 1.35 asked)			
	3½	.	...	Do. pref.	....	(— bid 6 asked)			
	12	1	6.9	East. Steel	5	15½	14½	14½	14½
	9	7	6.9	Do. pref.	....	(102 bid — asked)			
	54	7	...	East. Theat. pf.	....	(60 bid 84 asked)			
	2½	.	...	Easy Washing	50	3	3	2½	2½
	4	1.37½	...	Economic Inv.	....	(26 bid — asked)			
	1½	1.60+60c.		Electrolux	530	14½	15	14	15
	1½	.	...	Enam. & Heat.	20	3	2½	2½	2½
	4	2.50	8.9	English Electric	400	28⅞	30	27½	27½
	5	.	...	Do. (B)	....	(— bid 10 asked)			
	8½	.	...	Equitable Life	75	6½	6½	6½	6½
	6	60c	...	European El. A.	....	(— bid 6⅞ asked)			
	1	.	...	Do. Warrants	....	(.01 bid — asked)			
				F					
		.	...	Fairchild Air.	6800	5⅛	5⅞	3½	4⅞
		45c	...	Fam. Players	....	(— bid 20 asked)			
		45c	...	Do. Vot. Tr.	....	(— bid 20 asked)			
		1+25c	7.2	Fanny Farmer.	3771	19½	19⅞	16	17½
15	4½	.	...	Fleet Aircraft	1175	10½	10	7	8
5	3	.	...	Fleury Bissell	....	(— bid — asked)			
43	30	2.50	...	Do. pref.	....	(— bid — asked)			
22½	14⅞	1	5.2	Ford Motor A.	6518	21½	21½	17⅞	19⅞
.50	.40	.	...	For. Pr. Secs.	....	(— bid — asked)			
16	8⅞	50c†	..	Foundation Co.	1100	12½	12½	9	10
20	9	.	...	Fraser Cos.	1974	14½	14½	10	10½
21½	10	.	...	Do. Vot. Tr.	8340	16½	16½	10½	13
40	37	.	...	Freiman, pf.	25	37½	38	38	38
				G					
13⅞	6½	20c●	..	Gatineau Pwr.	1553	12½	12	9½	10⅞
86½	80	5	6.2	Do. pref.	386	83	83	80	80
5½	3	.	...	Do. Rights	25	4	3½	3½	3½
10½	5	.	...	Gen. St. Wares.	3410	7½	7⅞	5½	6½
80	45	.	...	Do. pref.	247	75	72	60	65
72½	52	2.50	4	Goodyear Tire	654	65½	64⅞	60	62⅞
59	51	2.50	4.5	Do. pref.	110	56	56½	55½	55½
13	4⅞	.	...	Gt. Lakes Pap.	....	(— bid 9½ asked)			
33	16	.	...	Do. pref.	....	(15 bid 18 asked)			
9⅞	5½	.	...	Do. Vot. Tr. c.	200	8	7	5½	6⅛
22	15	.	...	Do. Vot. Tr. p.	420	19	18	15	17
2½	1	.	...	Gt. W. Saddlery	140	1	1⅞	1½	1½
25	18	75c	...	Do. pref.	15	20	18	18	18
12	9⅞	60c	5.6	Greening Wire.	260	9⅞	10⅞	9⅞	9⅞
..	..	.	...	Growers' Wine.	....	(— bid 1.35 asked)			
8½	5	†30c	...	Gurd, Chas.	530	6½	5½	5	5
106	102	7	6.6	Do. pref.	....	(— bid — asked)			
8⅞	4	.	...	Gypsum, Lime.	6229	5½	5½	4	4⅞
				H					
9½	5	.	...	Ham. Bridge	265	7	7	5	5½
53	29	.	...	Do. pref.	15	40	29	29	29
34	27	2+50▲	6	Ham. Cot., pf.	....	(— bid 31½ asked)			
1.50	.60	.	...	Ham. U. Theat.	200	1.00	.60	.60	.60
55	50	6	11.2	Do. pref.	50	54⅞	54⅞	53½	53½
4	2½	20c	...	Harding Carpet	50	2⅞	2½	2½	2½
*5	2½	.	...	Hillcrest Coll.	....	(— bid 2½ asked)			
*25	12	.	...	Do. pref.	....	(— bid 25 asked)			
17½	13½	1	6.9	Hinde & Dauch	540	15½	15½	14	14
20	20	.	...	Holt Renfrew	....	(— bid — asked)			
50	50	.	...	Do. pref.	....	(— bid 55 asked)			
2⅞	2	.	...	Home & Ind. Pr	275	2½	2½	2	2½
.60	.30	.	...	Honey Dew	....	(.25 bid .55 asked)			
14	8	.	...	Do. pref.	100	8	8	8	8
18	10	.	...	H. Smith Pap.	185	14	13	11	11½
98	90	6	6.7	Do. pref.	35	91	91	90	91
25	12	2	11.1	Humberstone S.	....	(16 bid 18½ asked)			
15	5	.	...	Hunts (A)	....	(— bid 7 asked)			
10	5	.	...	Do. (B)	....	(— bid 6 asked)			
75	57	4	5.4	Huron & E. Mt.	....	(69 bid 73 asked)			
9½	6½	80c	...	Do. 20% pd.	....	(6 bid 10 asked)			
3½	3½	20c	...	Hydro El.	....	(4 bid 6 asked)			
				I					
215	190	10	4.7	Imperial Bank	28	210	212	203	207
19⅞	15	50+75c	7.9	Imperial Oil	19555	16⅞	16⅞	15	16½
15⅞	13½	40+22½c	.	Imperial Tob.	7028	15½	15⅞	15	15
8	6½	6%	...	Do. pref.	....	(7 bid 7½ asked)			
32½	23	2	7.3	Indust. Accept.	460	31	30½	27	27
23	20	1.25	...	Inter-City Bak.	....	(19½ bid — asked)			
43	40	6+2	...	Inter'c Coal	....	(40 bid — asked)			
126	120	8	6.4	Do. pref.	....	(— bid 126 asked)			
23	22½	1.50	6.5	Inter. Bronze	....	(— bid — asked)			
27	23	1.50	6	Do. pref.	5	25	25	25	25
.20	.20	1½c†	...	Int. Coal & C.	....	(.20 bid — asked)			
7⅞	3½	.	...	Int. Hyd. E. A.	9500	5½	5½	3⅞	4⅞
9½	4⅞	.	...	Int. Metal Ind.	185	6⅞	6	5	5
81	60	6	8.2	Do. pref.	50	73½	73½	73½	73½
75	70	6	8	Do. pref. (A)	....	(— bid 73½ asked)			
102½	98½	5	5	Int. Mill., pf.	20	101	101	100½	100½
52⅞	27	2+25c	4.7	Int. Nickel	47476	48⅞	49	45	48
4⅞	1⅞	.	...	Int. Paints	295	3	2½	2	2½
15	10	1+25c▲	.	Do. pref.	40	11	10	10	10
b11⅞	4½	.	...	Int. Pap. & P.	35000	8⅞	9½	6⅞	7½
b47⅞	18⅞	.	...	Do. pref.	26600	40	41⅞	32	34½
31½	23	1.50+1	10.5	Int. Pete.	13268	26	25⅞	23	24½
5⅞	2	.	...	Int. Power	....	(2½ bid 5½ asked)			
85½	71	6	7.7	Do. pref.	55	81	80	77½	77½
11½	10½	1.12	...	Int. St. Rlty. A.	....	(— bid 11 asked)			
3⅞	3⅞	.	...	Do. (B)	....	(3⅞ bid 4 asked)			
9⅞	5	.	...	Int. Util. (A)	65	8	7½	6½	6½
1.00	.40	.	...	Do. (B)	1895	.70	.75	.40	.55
				J, K, L					
36	32	1.75	4.9	Jam. Pub. Ser.	....	(35 bid 37 asked)			
130	125	7	5.5	Do. pref.	....	(— bid 127 asked)			
15	10	1	...	Kelvinator	15	15	12½	12½	12½
34	13	.	...	L. St. John Pr.	255	24	25	15	20
13	2	.	...	Lake Sulphite	1245	3	3½	3	3
17½	10½	.	...	Lake of Woods.	920	11½	11½	10½	10½
120	100	7	7	Do. pref.	24	102	102	100	100
65	55	5	7.9	Landed Bank.	10	63	62⅞	62⅞	62⅞
14	9	70c	5.4	Lang, J. A.	....	(— bid 14 asked)			
3	2½	.	...	Langley's	....	(— bid 4 asked)			
30	30	2.50▲	...	Do. pref.	....	(20 bid 30 asked)			
65	54	3	5.4	Laura Secord	95	58	60	54	57
11	7	.	...	Legare, pref.	....	(— bid 11 asked)			
5	3	.	...	Lindsay, C. W.	35	3½	3½	3	3
*78	60	4▲	...	Do. pref.	....	(— bid 70 asked)			
24	19½	1+12½c	5.2	Loblaw (A)	1437	22⅞	22⅞	20⅞	22½
21½	18	1+12½c	5.6	Do. (B)	1002	20½	20⅞	19½	19⅞
				M					
1.45	.40	.	...	Mackenzie Air.	850	1.00	.70	.70	.70
3	3	.	...	MacKin. Steel.	....	(— bid — asked)			
70	60	1.75▲	..	Do. pref.	....	(— bid 80 asked)			
17	7	.	...	Maclaren Pr. p.	694	12½	12	9	10
4	2½	.	...	M. L. Gardens.	7	3½	3⅞	3⅞	3⅞
7½	4	.	...	Do. pref.	25	7½	7	7	7
4	1½	.	...	Maple Leaf	1250	2½	2½	1½	2
6	2½	.	...	Do. pref.	333	3	3½	2⅞	2⅞
15⅞	15⅞	70c	...	Maritime Tele.	....	(16 bid — asked)			
*16⅞	16	70c	...	Do. pref.	....	(17 bid — asked)			
15	15	.	...	Marcus Loew's.	....	(14½ bid — asked)			
115	115	1.75▲	..	Do. pref.	....	(108½ bid — asked)			
10½	4⅞	.	...	Massey-Harris	13810	7	7½	5	5½
63	28	.	...	Do. pref.	2627	53	53	37⅞	43½
14	9	40c	4.1	McColl Fron.	740	10	10	9	9
101	83	6	6.2	Do. pref.	485	99½	100	98	99
2⅞	1½	.	...	Melchers	....	(1⅞ bid 1½ asked)			
6½	5½	60+20c	..	Do. pref.	527	5½	5½	5½	5½
2½	2½	.	...	Mercury Mills	....	(— bid 2 asked)			
19½	6	.	...	Do. pref.	100	10	6	6	6
50	50	2	4	Mitchell, J. S.	....	(50 bid — asked)			
112	109	7	6.2	Do. pref.	10	109	112	112	112
21	7½	.	...	Mitchell, Robt.	2820	18½	17½	13	14½
*5½	4	.	...	Monarch Knit.	....	(— bid 2 asked)			
*86	50½	.	...	Do. pref.	....	(— bid 32 asked)			
35	35	2	5.7	Montreal Cot.	....	(— bid 50 asked)			
106	95	7	7.2	Do. pref.	5	97	97	97	97
1.00	.70	.	...	Mont. Is. Pr.	....	1.00 bid 2.25 asked			
31	27	1.50	5.3	Mont. L. & Pr.	5822	28⅞	30	27½	28
29	27	2	7.2	Montreal Loan	....	(25½ bid — asked)			
1.50	1.00	.	...	Mtl. Refrig. & S	....	(1.00 bid — asked)			
14	13½	2.25	...	Do. pref.	....	(14 bid — asked)			
62	55⅞	3.20	5.3	Montreal Tele.	15	58½	60	60	60
90	68	9	13	Montreal Trams	57	69	69⅞	69	69⅞
38	25	1.60+40c	6	Moore Corp.	364	35½	35	30	31
160	135	7	4.4	Do. pref. A.	40	160	158½	157	157
216	179½	7	3.2	Do. pref. (B)	....	(175 bid — asked)			
.50	.10	.	...	Muirheads	....	(.15 bid .50 asked)			
4	4	.	...	Do. pref.	....	(4 Feb. 22)			
				N					
42	34	2	5.1	Nat. Breweries.	2168	40⅞	41½	37⅞	38½
44	38	1.75	4.4	Do. pref.	245	42½	42	40	42
7½	4	.	...	Nat. Grocers	1550	5½	5	4	4
126½	115	7+3.50▲	6	Do. pref.	....	(108 bid 130 asked)			
20	12	.	...	N. Sew. Pipe A	5	13⅞	13½	13½	13½
67	31	2	4	Nat. Steel Car.	16935	56½	59	43½	49½
210	190	8	4.1	National Tr.	....	(185 bid 200 asked)			
34	24	1	3.1	Niag. W. Weav.	....	(— bid 30 asked)			
1.50	1.00	.	...	North Star Oil.	100	1.25	1.00	1.00	1.00
3⅞	3	35+8⅞c▲	.	Do. pref.	....	(3½ bid 3½ asked)			
*97½	96	6	...	N. S. L. & Pr.	....	(96 bid — asked)			
106	104	6	5.7	Do. pref.	....	(107 bid — asked)			
15	9	.	...	N. S. Steel, pf.	....	(— bid — asked)			
				O					
31	23	1	3.7	Ogilvie Flour	936	27⅞	27½	25	26
158	145	7	4.7	Do. pref.	55	155½	155	150	150
107	103⅞	5	4.8	Ontario Loan	....	103⅞ bid 108 asked			
*7½	4⅞	.	...	Ont. Silknit	....	(— bid 5½ asked)			
17	17	.	...	Do. pref.	....	(15 bid 19 asked)			
12	5	.	...	Ont. Steel	....	(— bid 10⅞ asked)			
114	95	7	7.4	Do. pref.	....	(— bid 105 asked)			
2.00	1.00	.	...	Orange Crush	285	1.50	1.50	1.75	1.75
6	4	70c	17	Do. pref.	70	4½	4	4	4
55	24	2	...	Ottawa Car	....	(— bid 55 asked)			
36	16	.	...	Ottawa El. Rly.	....	(— bid 15 asked)			
87	78	6	7.7	Ot. L. H. & Pr.	1	78	78	78	78
101½	97	5	5	Do. pref.	....	(— bid 99 asked)			
				P, Q, R					
20	10	.	...	Pacific Coyle	....	(15 bid — asked)			
98	77½	4+25c	4.4	Page Hersey	230	93½	97	92	97
7⅞	4	.	...	Pantepec Oil	....	(3⅞ bid — asked)			
16	15	.	...	Paton Mfg.	....	(— bid — asked)			
100	100	7	7	Do. pref.	....	(100 bid — asked)			
55	44½	3	6.7	Penmans	76	46½	45	44½	44½
125	122	6	4.8	Do. pref.	....	(128 bid — asked)			
19	16	1	6.2	Photo Eng.	....	(15½ bid 17 asked)			
99⅞	95½	7	7.2	Porto Rico P. p.	15	99⅞	98	98	98
16⅞	9	†30c	...	Power Corp.	2765	12½	12½	9	11
101	92	6	6.1	Do. pref.	55	101	100	98	98
45	44	3	6.7	Do. 2nd pfd.	....	(— bid 45 asked)			
23	10	.	...	Pressed Metals.	119	21⅞	18	16⅞	17½
20	8½	.	...	Price Bros.	9920	14⅞	16½	11½	12⅞
55½	34	.	...	Do. pref.	810	50	54	45	45
7½	6	20c	3.3	Prov. Transport	....	(5½ bid 6 asked)			
19	14	1	6.7	Quebec Power	415	17½	17	15	15
4½	3⅞	.	...	Quebec Tele.	....	(4½ bid — asked)			
40	37	2	5.4	Real Estate L'n	....	(35 bid 40 asked)			
9⅞	4	.	...	Regent Knit.	100	5½	5	5	5
25	22	1.60	7	Do. pref.	....	(23 bid 24 asked)			
2⅞	1½	30c	...	Reinhardt Brew	....	(1⅞ bid 2 asked)			
7½	3	.	...	Reliance Grain.	....	(5½ bid — asked)			
12½	10½	70c+*1%		Remington R'd.	....	(8 bid — asked)			
27	21	2	8.3	River S. Mill	70	25	24½	24	24
4½	2	.	...	Rogers Majest.	385	3½	3½	2	2½
16	14½	1	6.2	Rolland Pap.	....	(16 June 25)			
18	11½	.	...	Do. Vot. Trust	75	13⅞	11½	11½	11½
102½	95	6	6	Do. pref.	....	(— bid 100 asked)			
192	170	8	4.2	Royal Bank	149	188	190	180	183
70	63	6	...	Russell Indust.	....	(68 bid — asked)			
112	103	7	6.8	Do. pref.	15	111	103½	103½	103½
				S					
103	95	5.50	5.3	Saguenay Pr. p.	25	102½	103	101½	103
11	6½	.	...	Sarnia Br. (A).	....	(6 bid — asked)			
5	4	.	...	Do. (B)	....	(2 bid 6 asked)			
23	17	80+5c	4.7	Shawinigan Pr.	2163	19	19⅞	17	18½
17	10	.	...	Sher. Wms.	130	11	12	11	11
120	102	7	6.4	Do. pref.	1	109	108	108	108
1½	1	.	...	Silverwoods	....	(1½ bid 1½ asked)			
3⅞	1⅞	40c	...	Do. pref.	695	3⅞	3⅞	3½	3½
10½	7½	95c	...	Simon & Son	50	10	7⅞	7⅞	7⅞
110	110	7	6.4	Do. pref.	....	(— bid — asked)			
18	8	.	...	Simpson, A.	35	10	9	8	9
8½	2½	.	...	Do. (B)	25	4	3½	3	3
95	70	5+1▲	6.9	Do. pref.	105	75½	75	70	72
115	105	6	5.6	Simpson, R., pf.	170	115	110	107½	107½
15	11	80c	6.9	So. Can. Pr.	195	11⅞	11½	11	11½
109	103	6	5.7	Do. pref.	78	106	106½	105	105
6½	2⅞	.	...	St. Law. Corp.	8570	4⅞	5	3½	3⅞
20	8½	.	...	Do. (A)	3020	15	16½	10½	13
20	17	1	5.9	St. Law. Flour.	80	19½	18	17	17
140	140	7	5	Do. pref.	....	(— bid 140 asked)			
58½	24	.	...	St. Law. Pap. p.	731	45½	41	35	41
6	3½	.	...	Stand. Chem.	50	8	6½	6	6
*14½	8	.	...	Stand. Clay	....	(3 bid 10 asked)			
4½	2	.	...	St. Pav. & Mat.	75	3	2	2	2
27	12	.	...	Do. pref.	....	(18 bid 23 asked)			
42	40	3+75c▲	7	Stand. Steel, pf.	....	(— bid 45 asked)			
17⅞	16	60+20c	5	Stedman Bros.	45	16½	16	16	16
71	56	1.75	2.7	Steel of Can.	1107	66	68	61½	64½
68½	62	1.75	2.7	Do. pref.	110	65	63½	62	62
5	4	.	...	Sterling Coal	....	(4 bid 5 asked)			
.75	.25	.	...	Stop & Shop	....	(.15 bid .25 asked)			
10	10	80c	8	Stuart, D. A. pf.	....	(— bid 10⅞ asked)			
2½	1½	.	...	Supersilk H. A.	25	2½	2½	2½	2½
3½	2	.	...	Do. (B)	....	(— bid 3⅞ asked)			
79⅞	73	5	6.6	Do. pref.	....	(— bid 73 asked)			
38	31	1+50c	4.2	Sup. Pete. ord.	435	36	36	36	36
36	30	1+50c	4.2	Do. com.	....	(34 bid — asked)			
				T					
16	11	80c	6.7	Tamblyn	155	12	12	11	11
52½	52	2.50	4.8	Do. pref.	....	(52½ bid — asked)			
4	2	.	...	Thayers	....	(4 bid 5 asked)			
27	20	3.50	...	Do. pref.	....	(24 bid 30 asked)			
.50	.25	.	...	Thrift Stores	....	(.10 bid — asked)			
2	2	.	...	Do. pref.	....	(⅛ bid — asked)			
13½	10	60+10c	6.2	Tip T. Tailors	65	11	11½	11	11½
106	100	7	6.7	Do. pref.	17	105	105	105	105
3	⅞	.	...	Tooke Bros.	....	(— bid 2½ asked)			
15	8	.	...	Do. pref.	10	9	8	8	8
18½	12	2	...	Tor. Elevators	275	14½	14½	12	14
48	40	2.62½	6	Do. pref.	....	(40 bid 44 asked)			
85	73	4	5	Tor. Gen. Tr.	....	(80½ bid 82 asked)			
122	107	6	5.6	Toronto Mtge.	30	108½	115	107	107
160	140	7	4.7	Tuckett Tob. p.	....	(150 bid 157 asked)			
4⅞	3	.	...	Twin City	....	(— bid 10 asked)			
				U, V					
15½	11	80c	6.8	Union Gas	4520	12⅞	13½	11	12
17½	12½	30c	...	Un. Amuse. A.	10	15	12½	12½	12½
13	13	30c	...	Do. (B)	....	(— bid — asked)			
1.15	1.00	5c	...	United Distill.	....	(— bid .80 asked)			
43	32	1▲	...	United Fuel, pf.	245	36	36	32	[illegible]
18⅞	6	.	...	United Secs.	55	8½	8½	6	6
7	3	.	...	United Steel	8865	4½	5	3½	4
3	1½	.	...	Viau Bisc.	55	2⅞	2½	2½	2½
50	45	5	10.9	Do. pref.	15	50	46	46	46
				W, Y					
20	12	1+15c	9.5	Wabasso Cot.	175	16	12½	12	12½
45	30½	4	10.7	Walker-Good.	6792	41½	42½	36	39
19½	17	1	5.3	Do. pref.	4344	19	19½	18⅞	19
2.00	1.10	5c	...	Walkerville Br.	1375	1.50	1.55	1.20	1.20
2.50	1.00	.	...	Waterloo Mfg.	415	1.50	1.50	1.50	1.50
125	123½	7	5.6	W. Koot. Pr. pf	....	(115 bid — asked)			
5	3	.	...	West. C. Flour.	....	(2½ bid — asked)			
37	28	.	...	Do. pref.	200	30	30½	30½	30½
65	49½	3	6	West. Grocers	....	(49½ bid 62 asked)			
115½	106½	7	6.4	Do. pref.	....	(— bid 117 asked)			
13½	9	80c	7.6	Weston Ltd.	605	11½	11½	10	10½
90	70	5	5.9	Do. pref.	46	88½	90½	85	90
4.00	.20	.	...	Windsor Hotel	....	(.20 bid — asked)			
8	5	.	...	Do. pref.	....	(4 bid — asked)			
3½	1½	.	...	Winnipeg El. A.	1210	2½	2½	1⅞	2
3	1	.	...	Do. (B)	465	2½	2	1½	1½
17	7	.	...	Do. pref.	80	11	8	8	8
93	65	1.75▲	..	Wood, A. & J. p	70	65	69	65	65
50	40	.	...	Woods Mfg., pf.	....	(— bid 38 asked)			
4½	3½	.	...	York Knitting	300	4	4	4	4

* 1937.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1936.
● Initial. * Stock bonus. † Interim.

Mining Stocks

Par Val.	Range 1938 High	Low	Company	Sales	Close Sept. 12 (or last)	High for week	Low for week	Close Sept.19
			A					
1	.04½	.01	Afton	57,000	.04	.04½	.02½	.03½
No	.70	.28	Aldermac	80,825	.42	.43	.28	.39½
1	.03½	.01	Alexandria	......	(.01 bid .... asked)			
1	.33	.07	Amm. Gold	30,900	.09½	.10	.07	.09½
No	4.15	2.75	Anglo-Huronian	3,407	3.05	3.15	3.00	3.00
No	.02½	.01	Arno	......	(.01 bid .02½ asked)			
1	.33	.12	Arntfield	7,000	.14½	.15	.12	.15
1	.13½	.05	Ashley	18,900	.10	.10½	.07	.08
1	.06	.02	Astoria Rouyn	1,000	.05	.02	.02	.02
1	.44	.19	Augite Porc.	41,200	.25	.26	.19	.23
50c.	.14	.05½	Aztec	1,000	.07	.06	.05½	.06
			B					
1	.27	.12	Bagamac	2,025	.18	.18	.14	.14½
1	1.03	.39	Bankfield	40,700	.48	.50	.39	.45
1	.45	.20	Base Metals	16,000	.27	.28	.20	.27
1	.36	.17½	Bear Exploration	77,700	.29½	.31	.17½	.22
No	1.45	.95	Beattie Gold	20,450	1.17	1.20	.95	1.10
1	.32	.12	Beaufor	4,400	.15	.14	.12	.13
1	.50	.20	Bidgood Kirk.	62,850	.27½	.28	.21	.23
1	.58	.24	Big Missouri	3,337	.28	.29	.24	.27
1	.14½	.07	Bobjo	45,400	.12½	.13	.09	.11
1	.13½	.06	Bouscadillac G.M.	1,500	.06½	.06	.06	.06
No	10.25	8.00	Bralorne	6,424	9.00	9.10	8.00	8.85
1	.08	.03	Brazil Gold	......	(.05 bid .08 asked)			
1	.12	.01½	Brett Trethewey	15,300	.02	.02	.01½	.01½
1	.10	.02½	Brownlee	......	(.03½ bid .05½ asked)			
1	17.50	11.00	Buffalo Ankerite	4,100	15.00	15.00	11.65	14.00
No	.06½	.02	Buffalo Can.	26,500	.02½	.03	.02	.02½
5	30.50	24.25	Bulolo Gold	951	28.75	28.50	27.00	28.50
No	.22	.07½	Bunker Hill	8,800	.11	.10	.07½	.09½
			C					
No	1.28	.73	Can. Malartic	31,100	.85	.87	.73	.75
1	.09½	.02	Capital Rouyn	1,000	.03½	.03½	.03½	.03½
1	2.60	1.65	Cariboo Gold	4,150	2.35	2.25	1.95	2.10
1	.15	.05	Cartier Malartic	2,700	.05½	.06	.05	.06
1	1.19	.53	Castle Trethewey	9,500	.91	.88	.70	.76
1	.62	.20	Cen. Cadillac	12,900	.25	.25	.20	.22
1	3.20	2.00	Cen. Patricia	44,965	2.45	2.54	2.00	2.20
1	.15	.07	Cen. Porcupine	36,000	.09½	.09	.07	.08
1	1.73	.75	Chesterville	37,700	1.02	1.06	.75	.80
No	.82	.35	Chromium	16,100	.55	.58	.42	.50
5	4.00	2.00	Coast Copper	850	2.30	2.00	2.00	2.00
5	2.25	1.25	Coniagas	300	1.50	1.37	1.30	1.30
No	1.84	1.03	Coniaurum	7,332	1.30	1.30	1.03	1.12
1	.42	.19	Con. Chibougamau	14,045	.30	.35	.20	.25
25	64.25	46.50	Cons. Smelters	11,864	57.00	57.75	49.00	54.00
			D, E					
1	.23½	.05	Darkwater	3,700	.07	.07½	.07	.07
1	.46	.10	Denison Nickel	12,910	.18	.18	.10	.17
No	35.00	27.50	Dome Mines	15,467	33.00	33.37	28.25	31.25
1	.07	.02½	Dom. Explorers	3,000	.03½	.03½	.02½	.02½
1	.26	.05	Dorval Siscoe	24,900	.08½	.08½	.05	.07½
1	.07	.03	Duparquet	12,200	.03½	.03½	.03	.03
1	2.39	1.05	East Malartic	199,295	2.04	2.09	1.65	1.87
1	3.25	1.55	Eldorado	90,045	2.12	2.20	1.55	1.86
			F, G					
No	6.95	4.45	Falconbridge	7,960	5.25	5.35	4.45	4.85
1	.26	.15	Faulkenham Lake	14,800	.21	.21	.15	.15
1	.14	.03½	Federal	19,100	.05½	.06	.04½	.04½
1	.30	.08	Fernland	16,200	.18	.17½	.08	.09
No	.53½	.20	Francoeur Gold	27,000	.30	.30	.20	.25
1	.20	.03	Fontana	......	(.... bid .04 asked)			
1	.32	.07	Gillies Lake	74,500	.13½	.13	.07	.10
1	.05	.02	Glenora	3,000	.03	.02½	.02½	.02½
No	.68	.31	God's Lake	25,325	.42	.42	.35	.38
1	.40½	.14	Goldale	20,400	.21	.22	.19	.19
50c.	.50	.30	Gold Belt	2,700	.49	.42	.35	.40
1	.40	.12	Gold Eagle	18,900	.16	.16½	.12	.13
1	.12	.03	Goodfish	21,000	.04½	.04	.03	.03
1	.09½	.02½	Graham Bosquet	1,000	.03	.02½	.02½	.02½
1	.14	.04	Granada Gold	50,200	.09½	.10½	.05½	.08
No	.11	.04½	Grandora	......	(.04½ bid .05 asked)			
1	.10	.02½	Grull Wihksne	1,000	.03	.02½	.02½	.02½
1	1.09	.50	Gunnar Gold	26,210	.60	.63	.50	.57
			H, I, J					
1	.04½	.02	Halcrow Swayze	1,000	.02½	.02	.02	.02
1	2.93	1.10	Hard Rock	173,830	1.95	1.98	1.35	1.55
1	.17	.07	Harker	14,400	.09	.09½	.07	.09½
1	1.40	1.00	Hedley Mascot	600	1.12	1.09	1.04	1.04
5	15.50	11.00	Hollinger	11,360	14.25	14.75	12.12	13.75
1	.33	.20	Howey Gold	35,600	.26	.25½	.20	.23
No	31.25	20.50	Hudson Bay	4,850	28.75	29.25	26.50	27.00
1	.49	.33	Inspiration	150	.35	.35	.35	.35
1	11.70	7.00	Inter. Mining	25	9.50	8.00	8.00	8.00
No	52.75	37.00	Int. Nickel	47,476	48.75	49.00	45.00	48.00
1	.40	.10	Jacola	18,793	.14	.15	.10	.11
1	.60	.27	Jack Waite	53,100	.30	.37	.27	.33½
1	.82	.25	Jellicoe	92,645	.35	.40	.25	.31
1	.17	.05	J. M. Cons. Gold	5,090	.08½	.09	.05	.08
			K, L					
1	2.50	1.25	Kerr Addison	151,315	1.83	1.90	1.35	1.70
1	1.00	.35	Kerr Lake	......	(.51 bid .70 asked)			
1	.29	.06	Kirk. Gold Rand	2,000	.15	.13	.12	.12
1	1.50	.50	Kirk. Hud. Bay	300	.57	.58	.50	.50
1	1.50	.90	Kirkland Lake	109,270	1.12	1.19	.90	1.07
1	.23	.12	Kirk. Townsite	......	(.09 bid .12 asked)			
1	.59	.20	Laguna	39,200	.30	.44	.28	.30
1	58.75	45.00	Lake Shore	7,426	50.00	50.00	45.00	48.00
1	.05	.02	Lamaque Contact	4,500	.02½	.03	.02	.02
1	.74	.28	Lapa Cadillac	84,300	.39½	.40	.28	.37
1	1.13	.80	Lava Cap	5,580	.82	.85	.80	.80
1	.15	.04	Lebel Oro	20,800	.05½	.05½	.04	.04½
1	.03½	.01	Lee Gold	6,000	.02½	.02½	.01½	.02
1	1.12	.60	Leitch Gold	62,900	.70	.80	.60	.68
No	6.00	2.40	Little Long Lac	27,875	2.90	3.00	2.40	2.80
			M					
1	5.55	3.50	Macassa	35,569	4.80	4.90	3.60	4.15
No	4.45	1.30	MacLeod Cockshutt	139,028	3.15	3.25	2.50	2.96
1	.57	.25	Madsen Red Lake	37,800	.43	.44	.32½	.35
1	.55	.31	Malartic Gold	26,500	.42	.43	.31	.35
1	.02	.00½	Malrobic	1,000	.01	.00½	.00½	.00½
No	.24	.10	Mandy	500	.12	.13	.13	.13
No	.04	.01½	Man. & Eastern	9,700	.01½	.01½	.01½	.01½
1	.19½	.08	Maralgo	5,550	.09½	.09	.08	.08
5	48.75	35.50	McIntyre	13,975	46.75	46.50	41.50	44.00
1	1.29	.69	McKenzie R.L.	47,125	1.09	1.15	.90	1.05
1	.80	.35	McKinley	12	.65	.65	.65	.65
No	.86	.30	McWatters	52,450	.57½	.63	.48	.58
1	.24	.10	McVittie	13,500	.11	.12	.10	.11
5	.70	.30	Mentor Explor.	1,000	.55	.50	.45	.50
No	2.49	1.45	Mining Corp.	15,370	2.05	2.15	1.60	1.85
No	.04½	.02½	Minto Mines	......	(.03 bid .04½ asked)			
1	.03	.01	Moffatt Hall	......	(.01½ June 7)			
1	2.56	1.12	Moneta	66,305	1.40	1.50	1.12	1.33
1	.20	.05	Montague	......	(.05 Sept. 9)			
1	.19	.04	Morris Kirk.	1,807	.05	.06	.04	.05
1	.03½	.01½	Murphy	3,000	.01½	.02	.02	.02
			N, O					
1	.79	.13½	Naybob	195,500	.41	.47	.28	.37
No	.11½	.02	Newbec	29,400	.04	.05	.03½	.03½
1	.38	.10	New Golden Rose	7,000	.16	.15	.11	.15
5	2.15	1.50	Nipissing	1,775	1.55	1.65	1.50	1.65
No	75.25	48.00	Noranda	24,058	72.25	73.00	66.25	69.00
No	.40	.23	Nor. Canada	4,100	.35	.36	.30	.30
1	8.95	7.50	North Empire	910	8.60	8.50	8.00	8.00
1	.07½	.02	Norgold	5,600	.04½	.05	.03½	.03½
1	1.14	.50	Normetal	8,534	.60	.65	.55	.60
1	5.45	2.10	O'Brien	61,370	3.00	3.15	2.10	2.50
1	.68	.30	Omega	45,200	.47	.48½	.38	.43
1	1.45	.35	Oro Plata	18,725	.48	.50	.35	.40
1	.16	.05	Osisko	......	(.08 bid .16 asked)			
			P					
No	4.70	2.90	Pamour	73,138	4.25	4.40	3.75	4.15
1	.63	.15	Pandora	6,300	.18	.17	.15	.15
1	2.70	1.55	Pato Cons. G.	1,050	2.40	2.50	2.35	2.40
1	.24½	.07½	Partanen Mal.	58,100	.09	.11	.08	.09
1	.22	.04	Paulore	12,500	.06	.06	.04	.05
1	.02	.01	Pawnee Kirk.	8,500	.01½	.01½	.01	.01
1	.69	.38	Paymaster	85,100	.44	.47	.39	.46
1	.23	.08	Payore	40,100	.12	.12½	.08	.10
1	2.65	1.30	Pend Oreille	40,435	1.67	1.80	1.35	1.55
1	1.77	1.00	Perron Gold	39,785	1.35	1.40	1.00	1.20
1	.01½	.00½	Peterson Cobalt	......	(.00½ bid .01½ asked)			
1	5.30	3.80	Pickle Crow	36,840	4.90	5.00	4.00	4.35
1	3.30	2.67	Pioneer Gold B.C.	4,815	2.90	2.91	2.67	2.75
1	17.25	13.25	Placer Devel.	3,650	15.50	16.50	15.25	15.25
1	2.65	1.37	Powell Rouyn	81,800	2.28	2.30	1.65	1.87
1	2.52	1.81	Premier Gold	14,075	2.25	2.29	1.85	2.10
1	1.93	.67	Preston E. Dome	349,348	1.32	1.46	1.02	1.21
No	.98	.50	Prospectors Air's	5,100	.50	.50	.50	.50
			Q, R					
1	.70	.40	Quebec Gold	2,000	.40	.40	.40	.40
No	.15	.04	Quemont	1,500	.13½	.10	.09	.09
1	4.55	2.50	Read Authier	60,430	3.30	3.85	3.10	3.30
1	.45	.06	Red Crest	......	(.... bid .07½ asked)			
1	.65	.33	Reno Gold	14,900	.38	.38	.33	.35½
1	.55	.25	Reeves MacD.	3,200	.26	.26	.25	.25
1	.07	.03½	Reward	3,700	.04½	.04½	.03½	.03½
1	.03	.01½	Ritchie	4,700	.01½	.01½	.01½	.01½
1	.02½	.01	Robb Montbray	2,500	.01½	.01½	.01½	.01½
1	.24	.06	Roche Long Lac	45,000	.09	.09½	.06	.07½
			S					
1	1.55	1.00	San Antonio	15,886	1.20	1.20	1.00	1.10
1	.23	.17	Sand River	1,300	.19	.19	.17	.19
1	.34	.03½	Shawkey	14,500	.04½	.05½	.03½	.05½
50c.	1.21	.75	Sheep Creek	3,810	.88	.86	.75	.85
1	1.80	.90	Sherritt Gordon	80,363	1.10	1.15	.90	1.02
1	3.40	1.50	Siscoe	68,710	1.80	1.82	1.50	1.65
1	1.39	.54½	Sladen Malartic	100,758	.80	.82	.54½	.60½
1	.24	.07	Slave Lake	3,600	.08½	.09	.07	.09
No	.78	.30	Stadacona	92,985	.41	.44	.30	.39
1	.20	.07½	St. Anthony	26,500	.10½	.10½	.07½	.09½
No	.15½	.05	Straw Lake	39,200	.08½	.08	.05	.08
No	3.80	1.90	Sudbury Basin	7,215	2.25	2.38	1.90	2.10
1	.19	.10	Sudbury Contact	14,200	.11	.10½	.10	.10
1	1.25	.73	Sullivan Cons.	40,180	.95	.96½	.73	.75½
1	3.60	2.50	Sylvanite	19,410	3.05	3.10	2.50	2.90
			T, U, V, W, Y					
1	5.70	4.30	Teck Hughes	33,985	4.70	4.70	4.30	4.50
1	.25	.08	Temiskaming	6,600	.09½	.09½	.08	.08
1	.38	.17	Thomp. Cadillac	40,220	.22	.23	.17	.20
1	2.90	1.60	Toburn Gold	3,820	1.80	1.85	1.60	1.66
1	.67	.30	Towagmac	5,300	.35	.33	.30	.33
1	2.45	.90	Uchi Gold	66,600	1.90	2.00	1.25	1.50
No	7.40	4.00	Ventures	9,095	5.20	5.10	4.00	4.30
No	8.50	1.02	Waite Amulet	204,974	5.30	5.75	3.75	4.60
1	.20	.08	Wendigo	8,500	.11½	.12	.10	.12
No	.03½	.01	White Eagle	11,000	.01½	.01	.01	.01
1	.08	.02	Whitewater Mines	2,000	.03	.03	.03	.03
1	.18	.03	Wiltsey Coughlan	28,800	.09	.09½	.06½	.07
1	.43	.16	Wood Cadillac	18,100	.20	.20	.16	.17½
No	8.20	6.50	Wright-Hargreaves	29,900	7.60	7.80	7.00	7.30
No	.30	.10	Ymir Girl	2,800	.13	.13½	.10	.10

Oil Quotations

Par Val.	Range 1938 High	Low	Company	Sales	Close Sept. 12 (or last)	High for week	Low for week	Close Sept.19
No	.12	.06	Acme Gas & Oil	5,225	.08	.09	.07½	.09
1	.37	.14	Alta Pac. Cons.	2,220	.16	.16	.14	.16
1	.32	.13	Ajax	......	(.16 bid .... asked)			
No	1.65	.95	Anglo Can. Dev.	13,150	1.20	1.30	1.00	1.02
1	.15	.08	Anaconda	......	(.09 June 29)			
1	.16	.05	Br. Dominion	1,000	.07	.06	.06	.06
No	.68½	.21	Brown Oil	39,756	.26	.28	.21	.24½
100	72.00	46.00	Do., pref.	......	(60.00 bid 68.00 asked)			
No	3.10	1.55	Calgary & Ed.	31,910	2.05	2.05	1.55	1.95
1	.62	.19½	Calmont	7,300	.26	.25	.19½	.25
No	.85	.50	Commoil	4,200	.63	.65	.50	.63½
No	.43	.20	Common Pete	6,800	.23	.25	.20	.20
No	.70	.35½	Dalhousie	6,250	.45	.42	.35½	.35½
No	.73	.20	Davies Pete	19,450	.30	.30	.20	.26
No	.15	.05	East Crest	7,000	.06	.07½	.05	.07½
25c.	.25	.11	Firestone Pete	5,600	.13	.13	.12	.13
No	.90	.30	Foothills	3,500	.50	.50	.30	.40
No	.22	.08	Foundation Pete	12,900	.12½	.13	.12	.12½
No	.35	.14	Hargal	......	(.16 bid .30 asked)			
No	.20	.07	High Sarcee	1,200	.08	.08	.07	.07
No	1.47	.83	Home	37,620	1.06	1.06	.83	.96
1	.37	.15	Homestead O. & G.	5,900	.19	.18½	.15	.15
No	.27	.12	McD. Segur	500	.12	.12	.12	.12
No	.08	.04	Merland	1,000	.05	.06½	.05	.06½
1	.38	.18	Model	1,800	.21	.20	.18	.20
25c.	.19	.10	Monarch Royalties	3,200	.11	.12	.10	.11½
5	.20	.04	Nordon	6,100	.10	.10	.08	.08
No	.04½	.02	Oil Selections	14,000	.03	.03	.02	.03
No	2.30	.90	Okalta	19,975	1.10	1.14	.90	1.06
No	.05½	.02	Olga Gas & Oil	36,500	.03½	.03½	.02½	.02½
1	.17	.05	Pacalta	6,100	.05	.06	.05	.05
1	.50	.40	Petrol Oil & Gas	......	(.30 bid .50 asked)			
25c.	.52	.20½	Prairie Royalties	2,750	.24	.26	.21	.26
No	49.00	33.75	Royalite	4,423	43.50	44.00	35.00	38.25
No	.75	.25	South West Pete	2,500	.35	.26	.25	.25
No	.10	.02	South End	......	(.02 Aug. 6)			
1	.14	.14	Spooner	......	(.14 Mar. 9)			
25c.	.25	.04	Spy Hill Royalties	1,000	.04½	.04	.04	.04
No	1.63	1.05	Texas Can.	9,100	1.30	1.35	1.16	1.18
No	.26	.09	United Oils	7,660	.11	.11	.09	.10
No	1.25	.50	Vulcan	1,950	.59	.60	.50	.55
No	.34	.05	West Flank	2,200	.07	.10	.05	.10
50c.	.15	.07½	West Turner Pete	24,900	.08	.09½	.07½	.06

Vancouver Stock Exchange

Par Val.	Range 1938 High	Low	Company	Sales	Close Sept. 12 (or last)	High for week	Low for week	Close Sept.19
50c.	.14	.06	Aztec	......	(.04 bid .06 asked)			
1	.58	.26	Big Missouri	4,500	.28	.30	.26	.30
25c.	.02½	.01½	Bluebird	......	(.01½ Aug. 26)			
No	10.10	7.95	Bralorne	5,675	9.05	9.15	8.15	8.85
1	.04½	.01½	Bridge River Cons.	6,000	.02½	.01½	.01½	.01½
1	.25	.06	B. C. Nickel	4,000	.08	.07	.06	.07
1	2.60	1.68	Cariboo Gold	3,925	2.35	2.33	1.95	2.10
No	.13	.04	Dentonia	11,800	.05	.05½	.05	.05
1	.09	.01	Dunwell	......	(.01 bid .... asked)			
No	.10½	.02	Fairview Amal.	15,050	.05½	.07	.04½	.07
1	.02½	.01	Federal Gold	2,000	.01½	.01½	.01½	.01½
1	.50	.25	George Copper	1,100	.30	.25	.25	.25
50c.	.03½	.02	George Enterprise	1,000	.02½	.03	.03	.03
1	.10	.03½	Golconda	7,600	.06	.06½	.05	.06
50c.	.49	.29	Gold Belt	8,100	.44	.44	.40	.40
50c.	.06½	.01½	Gold Mountain	4,000	.01½	.01½	.01½	.01½
50c.	.12	.04	Grandview	10,500	.06½	.08	.06	.07½
1	.11	.01½	Grull Wihksne	4,500	.02½	.02½	.01½	.02
1	1.30	1.00	Hedley Mascot	13,950	1.10	1.14	1.05	1.09
No	.05½	.00½	Hedley Sterling	......	(.00½ Aug. 16)			
No	.02	.00½	Home Gold	......	(.00½ bid .01 asked)			
1	.02½	.01½	Indian Mines	......	(.01½ Aug. 30)			
50c.	1.40	.72	Island Mountain	1,900	1.20	1.20	1.10	1.20
1	.28	.20	Inter'tl Coal	600	.28	.28	.28	.28
50c.	1.45	.91	Kootenay Belle	3,400	1.32	1.34	1.25	1.25
10c.	.04½	.01½	Lucky Jim	7,500	.02	.02½	.01½	.01½
No	.02½	.01	Mak Siccar	......	(.01 bid .... asked)			
5c.	.67½	.52	Metaline Metals	......	(.60 Sept. 7)			
1	.23	.19	McGillivray Creek	......	(.21 July 21)			
No	.05½	.02	Minto Mines	11,200	.03½	.03½	.03	.03
50c.	.08	.02	Nicola	10,500	.03½	.03	.03	.03
50c.	.05	.02	Noble Five	4,000	.02½	.02½	.02½	.02½
1	2.50	1.32	Pend Oreille	3,675	1.70	1.75	1.40	1.66
No	.02½	.01	Pilot Gold	......	(.01 Aug. 25)			
1	3.35	2.60	Pioneer Gold	3,050	2.90	2.95	2.60	2.60
50c.	.04	.02½	Porter Idaho	8,000	.03	.03	.03	.03
No	.02½	.01	Premier Border	11,000	.01	.01	.01	.01
1	2.83	1.83	Premier Gold	13,795	2.26	2.25	1.98	2.12
1	.14½	.02½	Quatsino Copper	8,000	.03½	.03½	.03½	.03½
25c.	.11½	.06½	Quesnelle Quartz	4,000	.09	.08½	.07	.08
50c.	.07	.04	Red Hawk	......	(.04 June 28)			
1	.25	.14	Relief Arlington	10,200	.15½	.15	.14½	.14½
No	.56	.24	Reeves McDonald	5,100	.26	.28	.24	.28
1	.68	.35	Reno Gold	7,300	.37	.37	.35	.35
1	.06½	.03½	Reward Mining	3,200	.04	.04	.04	.04
1	.03½	.01	Rufus Argenta	......	(.01 bid .... asked)			
1	.03	.01	Ruth Hope	......	(.02 Aug. 18)			
1	.08	.03	Sally Mines	......	(.03 bid .05 asked)			
50c.	.16½	.05	Salmon Gold	1,500	.10	.09	.07	.07
50c.	1.20	.80	Sheep Creek	5,900	.88	.85	.80	.82
1	2.20	1.50	Silbak Premier	2,800	1.80	1.80	1.60	1.80
No	.04½	.01	Silvercrest	5,000	.01	.01½	.01½	.01½
1	.17	.12	Sunloch	300	.12	.15	.15	.15
No	.17	.11	Surf Inlet	2,000	.17	.14	.11	.11
1	.22	.21	Standard Silver	......	(.22 Apr. 1)			
10	12.65	11.75	Sunshine	......	(11.75 Apr. 13)			
No	.05½	.02½	Taylor Bridge	......	(.03 bid .... asked)			
No	.21	.06½	Vidette Gold	3,500	.06½	.06½	.06½	.06½
50c.	.01	.00½	Waverley Tangier	3,000	.00½	.00½	.00½	.00½
20c.	.03½	.01½	Wellington	......	(.01½ Sept. 7)			
50c.	.10½	.01	Wesko	2,000	.01	.01½	.01½	.01½
1	.02	.02	White Eagle	......	(.02 Mar. 16)			
1	.08½	.02	Whitewater	11,500	.04	.04	.02	.04
No	.29	.09	Ymir Yankee Girl	2,000	.14	.10	.09	.09
			Oil Stocks					
1	.35½	.11	Alta. Pac. Cons.	5,700	.16	.17	.11	.14
1	.08	.00½	Amalgamated	11,500	.00½	.01	.00½	.01
No	1.58	1.00	Anglo Canadian	1,310	1.25	1.15	1.00	1.15
1	.14	.05	Anaconda	11,400	.06	.06½	.05	.06½
No	.08	.04	Associated Oil	......	(.04 July 23)			
No	.06	.02	Baltac	1,000	.03	.03	.03	.03
1	.14	.06	Brit. Dominion	500	.08	.06	.06	.06
No	.58	.23	Brown Oil	4,200	.30	.29	.23	.24½
No	3.15	1.60	Calgary & Ed.	26,780	2.06	2.07	1.60	1.92
1	.63	.20	Calmont	7,100	.24	.26	.20	.22
1	.43½	.20	Commonwealth	10,100	.25	.25	.20	.22
1	.06½	.01	Crow's Nest	......	(.00½ bid .01 asked)			
No	.70	.40	Dalhousie	300	.44	.40	.40	.40
No	.66	.21	Davies Pete	4,485	.35	.31	.21	.27
No	.15	.07	East Crest	......	(.07 Aug. 25)			
25c.	.23	.11	Firestone	2,500	.11½	.12½	.12	.12½
No	.08½	.03½	Freehold	25,600	.04	.04½	.03½	.04
No	.23	.11	Foundation Pete	3,000	.12	.12½	.12	.12½
No	.21	.13	Four Star	2,000	.14	.14½	.13	.13
No	.38	.14	Hargal	1,000	.20	.18	.18	.18
No	.20	.09	High Sarcee	......	(.09 Aug. 24)			
No	1.46	.90	Home Oil	4,630	1.05	1.03	.95	.98
No	.09	.02½	Madison	7,500	.03½	.03	.02½	.03
No	.10½	.05½	Marjon Oil	17,300	.06½	.06½	.05½	.06½
No	.28½	.12	McD. Segur Ex.	14,800	.13	.15	.12	.14
1	.30	.15	McLeod	400	.18	.15	.15	.15
No	.19	.06	Mercury	9,750	.06½	.07	.06	.07
No	.08	.05	Merland	......	(.05 Sept. 1)			
No	.12	.06	Mill City Pete	......	(.07 Aug. 1)			
No	.03	.02½	Midwest Pete	......	(.03 June 10)			
1	.42	.18	Model	2,500	.21	.20	.18	.18
25c.	.19	.10½	Monarch Royal	4,000	.12	.12	.10½	.12
5	.19	.07	Nordon	......	(.11 bid .... asked)			
No	2.25	.93	Okalta	16,850	1.15	1.12	.93	1.07
100	37.50	27.00	Do., pref.	......	(34.00 Aug. 19)			
No	.17	.06	Pacalta Oil	......	(.06 Aug. 23)			
25c.	.51½	.21	Prairie Royal	12,600	.25	.25½	.21	.25½
No	48.00	35.00	Royalite	95	44.00	41.00	36.50	38.00
No	.16	.09	Royal Canadian	27,650	.12	.14	.09	.13
No	.65	.30	Southwest Pete	2,680	.40	.31	.30	.30
1	.20	.09	Spooner	......	(.09 Sept. 8)			
25c.	.28	.03½	Spy Hill Rlty.	1,000	.05	.03½	.03½	.03½
25c.	.48	.38	Sunset Oils	500	.48	.43½	.43½	.43½
No	.25	.08½	United	12,950	.11½	.12	.08½	.11
No	.09½	.05	Vanalta	300	.05	.05	.05	.05
1	1.21	.50	Vulcan	5,200	.55	.57	.50	.55
No	.34	.06	West Flank	1,000	.06½	.06	.06	.06

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Sept. 20, 1938

	Int. Rate %	Due	Bid Sept. 20	Asked Sept. 20	Bid Sept. 15
Public Utility Issues:					
†Assoc. Tel. & T.	5½	'55	70½	73½	72
Beauharnois P.	5	'73	93	96	92½
B. C. Power	4½	'60	99½	102½	98½
B. C. Telephone	4½	'61	108½	108½	108
†Calgary Power	5	'60	98½	101½	99
Do.	5	'64	97½	100½	98½
†Can. Nor. Pwr.	5	'53	102½	105½	101½
‡Dom. Gas & El.	6½	'45	83	86	84½
‡Gatineau Pwr.	5	'56	103	106	102½
‡Do., A	5	'49	99	102	100
Gt. Lakes Pwr.	4½	'56	96	99	95½
‡Inter. Hydro-E.	6	'44	72½	75½	70
▲Inter. Power	6	'55	100½	103½	100½
†Macl'n-Que. Pr.	5½	'61	101	104	101
Do.	5½	'64	100½	103½	101
Mtl. L., H. & P.	3½	'56	101	104	101
Do.	3½	'73	95½	98½	95½
†Mtl. Tramways	5	'41	98	101	98½
†Do.	5	'55	...	...	70
Nat. Lt. & Pwr.	6	'49	93	96	92½
N. S. Lt. & Pr.	4	'57	99½	102½	99
‡Ottawa Light Heat & Pwr.	4	'57	98	101	98
†Ottawa V. Pwr.	5½	'70	105½	108½	105½
†Power Corp.	4½	'59	98½	101½	98
Quebec Power	4	'62	96	99	96
§Saguenay Pr., A	4½	'66	103	106	103
Do., B	4½	'66	103	106	102½
Shaw. W. & Pr.	4	'61	98	101	98
Union Gas	4½	'50	100	103	99½
Wpg. El. Ser. A	4	'65	59	62	60
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	55	58	54
Acadia Sugar	4½	'35	101	104	101
†Alta. Pa. Grain	6	'46	86½	90½	86
Atlantic Sugar	4	'51	99	102	98½
B. A. Oil	4	'45	102½	105½	102½
†B. C. P. & Pap.	6	'50	83½	86½	81½
§Brown Co.	5½	'46	44	47	43
†Burns & Co.	5	'58	52	57	58
Canada Bread	6	'41	107½	110½	107
Canada Cement	4½	'51	101½	104½	101½
Canada Paper	4½	'52	97½	100½	97
Can. Steamship	5	'57	77	80	78
Candn. Canners	4	'51	98½	101½	98½
‡Can. Int. Paper	6	'49	97	100	97
‡Candn. Vickers	6	'47	97	100	97½
C. P. R.	3½	'51	85	88	85½
Do.	4	'49	88	91	88½
Do.	4½	'44	91½	94½	94½
Do.	6	'42	100½	103½	101½
Do., debs.	4	perp.	75½	78½	75
†Consol. Paper	5½	'61	43½	46½	43
Dom. Coal	4½	'52	101½	104½	101½
▲Dom. Stl. & C.	6½	'55	99	102	100
Dom. Tar	4½	'51	100½	103½	100
†Donnacona P.	4½	'56	73	76	71½
Famous Players	4½	'51	96	99	96½
†Federal Grain	6	'49	93½	96½	93
†Fraser Cos.	6	'50	96½	99½	98
Gen. Stl. Wares	4½	'52	94	97	95
‡Great Lakes P.	5	'55	87½	90½	85
†Gypsum, Lime.	5½	'48	95	98	96
Ham. By-Pr. C.	5	'55	98½	101½	99
Inter-City Bak.	5½	'48	102½	105½	102½
‡Inter. P. & P. Nfld.	4½	'68	99½	102½	99
Lake St. John P. & P.	5½	'61	86	90	89
†Massey-Harris	5	'47	97	100	98
McCormick's	4	'52	78	83	83
‡M. & O. Paper	6	'45	30½	33½	29
Nat. Grocers	4	'47	100½	...	100½
†N.S. Stl. & C.	3½	'63	71½	74½	...
Price Bros.	5	'57	93½	96½	94½
‡Prov. Paper	5½	'47	101	104	101
Reliance Grain	4½	'52	...	94	90
†Restigouche Co.	6	'48	96½	99½	97
Rolland Paper	4½	'51	102½	105½	102½
Simpsons Ltd.	4½	'51	96	99	96½
Smith, Howard	4½	'51	102	105	102
†Steel of Can.	6	'40	107½	110½	107
‡United Gas	5½	'48	102	105	102
United Gr. Grs.	5	'48	89½	92½	...
†Western Gr.	6	'49	33	...	...

‡ Payable in Canada or U.S.
† Payable in Can., U.S. or U.K.
▲ Payable in Can. or U.K.
§ Payable in U.S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Sept. 20, 1938

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, pfd.	4.50	5.00
Acme Farmers Dairy, pfd.	16.50	....
Algoma Steel, com.	7.50	8.50
Do., pfd.	55.00	58.00
Andian National	36.00	38.50
Anglo Can. Tel., A	8.50	9.25
Barrymore Cloth, pfd.	17.00	25.00
B. C. Pulp & Paper, com.	*13.00	15.00
Do., pfd.	*50.00	55.00
Burns & Co., A	5.00	6.00
Do., B	2.25	2.75
Can. Wire & Cable, pfd.	96.00	98.50
Can. Airways	1.10	2.00
Can. Goodrich, com.	1.00	....
Can. Industries, A com.	210.00	217.00
Do., B com.	200.00	204.00
Do., pfd.	161.00	165.00
Can. Ingersoll Rand	120.00	123.00
Can. Tube & Steel, com.	4.75	6.00
Do., 1st pfd.	61.00	67.00
Can. Westinghouse	48.00	51.00
Chase, A. W., pfd. bonus	25.00	27.50
Claude Neon, pfd.	5.50	6.75
Cons. Sales Book, pfd. bon.	79.00	....
Copeland Flour Units	5.00	6.50
Corrugated Paper Box, com.	1.25	2.50
Do., rts.	....	9.50
Dom. Manufacturers, com.	3.00	5.00
Do., pfd.	60.00	65.00
Dominion Woollens, pfd.	.75	1.10
Dunlop Tire, pfd. par $25	16.50	18.00
Federal Grain, com.	1.75	2.15
Do., pfd.	....	32.00
Goderich Elevator	6.00	7.00
Guelph Carpet, pfd.	101.00	104.00
Do., com.	15.00	17.50
Hayes Steel Prod., com.	6.00	....
Do., pfd.	7.50	9.00
Highland Dairy, pfd.	40.00	47.00
Kingston Shipbuild. Units.	9.00	10.50
Loblaw Inc., pfd. bonus	67.00	72.00
Morrison Brass, pfd. bon.	5.00	6.75
Morrow Screw, pfd. bonus	93.00	98.00
Mount Royal Hotel, pfd.	2.25	3.25
Neilson, Wm., pfd.	97.00	....
New Brunswick Tel., com.	12.00	12.75
New Method. Laund., pfd. bonus	51.00	56.00
Niag. Lower Arch Bridge, c.	69.00	....
Paterson, Wm., pref.	100.00	103.00
Provincial Paper, pfd.	100.00	103.00
Reliance Grain, pfd.	52.00	56.00
Rob. Cons. Cone	7.75	8.50
Ruddy, E. L., pfd.	24.00	27.00
Seal O Sac (Can.)	2.50	3.50
Standard Fuel, com.	2.25	4.00
Do., pfd.	52.00	57.00
Stedman Bros., pfd. par $50	54.50	56.50
Supertest Pete., B pfd.	26.50	29.00
Toronto Carpet, com.	29.00	32.00
Do., pfd.	55.00	60.00
United Farmers Co-op.	2.50	3.00
United Steel, A pfd.	16.50	18.00
Viceroy Mfg., pfd. & rts.	20.00	22.00
Western Grain, pfd. bonus	6.00	7.50
Western Steel Prod., com.	8.75	9.50
Weston (Geo.) Foods (Eng.)	3.25	4.00
Willards Choc., pfd.	35.00	41.00
Wings Limited	.30	.45
Trusts and Loan Stocks:		
British Mortgage	138.00	144.00
Commercial Finance, com.	2.50	3.00
Guelph & Ont. Inv., par $50	52.00	56.00
London & Western Trust	32.00	....
Premier Trust	....	110.00
Sherbrooke Trust	120.00	....
Sterling Trust	43.00	48.00
Traders Fin., A com.	14.00	15.50
Do., A pfd.	84.00	....
Do., A 6% pfd., W.R.	93.00	....
Do., B 7% pfd., W.R.	94.00	....
Trusts & Guarantee	25.00	26.00
Insurance Stocks:		
Canada Life	....	315.00
Canadian Ins. Shares	19.00	21.00
Confed. Life 25% pd.	135.00	....
Crown Life Fully Pd.	206.00	....
Dominion Fire	134.00	....
Dom. of Can. Gen.	106.00	115.00
Empire Life 25% pd.	9.50	11.00
Federal Fire 25% pd.	45.50	....
Great West Life	305.00	318.00
Imperial Life	316.00	335.00
Manufacturers Life	246.00	255.00
Monarch Life 10% pd.	24.00	26.00
Sovereign Life 25% pd.	12.00	13.75
Sun Life Assce.	395.00	425.00
Toronto General	5.00	6.25
Western Assce., pfd.	40.00	43.00
Do., pfd.	47.00	53.00
Theatre Stocks:		
Allens Kingston, pfd.	61.00	67.50
Do., London, pfd.	52.00	57.50
Do., St. Catharines, pfd.	60.00	65.00
Do., Tor., 7% pfd. bonus c.	32.00	....
Mansfield Theatre, pfd.	21.00	....
Paramount Kitchener, pfd.	48.00	52.00
Do., Oshawa, pfd.	87.00	90.00
United Amusement, A	14.75	16.00
United Amusement, B	14.75	16.00
Investment Trust Shares:		
Can. Investors	5.25	6.00
Lon. Can. Inv., com.	2.25	5.00
Do., pfd.	30.50	38.00
Sec's. Hold., pfd. bonus	16.50	18.00
United Corp., A	18.50	20.00
Do., B	8.00	10.00
Power Issues:		
Calgary Power, pfd.	88.00	91.00
Can. West. Nat. Gas, com.	23.50	27.00
Do., pfd.	90.00	93.00
Great Lakes Power, pfd.	98.50	102.50
Inter. Util., $1.75 pfd.	7.25	8.50
Do., $7 pfd.	84.00	89.00
Montreal Island Power, pfd.	17.50	20.00
Northern Ont. Power, pfd.	97.50	100.00

Winnipeg Stocks

(Transactions from Sept. 12 to Sept. 17)

	Sales	High for period	Low for period	Close Sept. 17
Beaver Lumb., c.	100	4.00	4.00	4.00
Central Man.	1,100	.04	.03	.03
Forty Four	200	1.00	1.00	1.00
Flin Flon	10,300	.04½	.03	.03
Gt. Falls M.	2,500	.05½	.04½	.05½
Gurney Gold	3,200	.10	.09	.09½
Home Invest.	9	17.00	17.00	17.00
Monarch Life	20	25.00	25.00	25.00
Packsack	1,000	.03	.03	.03
Sunbeam K.	200	.29	.22	.22
Shenango	1,000	.10	.10	.10
Sachigo R.	248	16.00	13.75	13.75
Star Lake	30,100	.03½	.02	.02
United Grain	8	7.25	7.25	7.25
West. Steel	30	9.50	9.50	9.50
Wingold	17,500	.05½	.03	.03
Winnipeg R. Tin	5,000	.01½	.01½	.01½

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	...	100
Can. Indemnity	125	...
Can. Airways	...	3½
Cres. Cream., pf.	....	12
Nor. Mtge., part pd.	2	...
Nor. Can. Mtge., p.	3	...
United Grain	7	7½
Traders Bldg.	...	82
Western Brew.	...	2½
Western Grain, pref.	...	7

*Stocks more active on other exchanges not included.

Municipal Bonds

Sept. 20, 1938

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	112.00	113.50	4.08
Hamilton	5	1950	*108.00	109.50	4.00
Montreal	5	1945	103.50	105.00	4.12
Ottawa	4½	1945	107.00	108.50	3.10
†Quebec	5	1959	105.50	107.00	4.48
Saint John	5	1950	106.00	107.50	4.22
†Toronto	4½	1955	112.50	114.50	3.35
†Vancouver	5	1950	87.00	90.00	6.23
Winnipeg	5	1944	96.00	100.00	5.00

†Payable Can. and N. Y.

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
Sept. 20	39,400	65,300	723,000
Sept. 19	33,800	60,200	721,000
Sept. 17	37,700	55,000	656,000
Sept. 16	26,100	61,100	627,000
Sept. 15	48,200	57,200	922,000
Sept. 14	118,200	135,500	1,568,000

Public Utility Earnings

B. C. Power Corp.
August

	1938 $	1937 $
Gross earn.	1,247,719	1,219,301
Expenses	922,365	882,193
Interest, etc.	190,401	193,901
Bal. for A stk.	134,953	143,207
Two Months Ended Aug. 31		
Gross earn.	2,480,014	2,450,926
Expenses	1,812,374	1,767,183
Interest, etc.	382,302	387,802
Bal. for A stk.	285,338	295,941

Unlisted Mines

TORONTO
September 20, 1938

	Bid	Ask.
Addington	.14	.15
Albany R.	.19	.21
Algoma S.	.20	.21
Amorada	.03½	.04½
Arjon	.02½	.03
Armistice	.03	.04
Argosy	.03	.03½
Arno	.01½	.02
Athona	.05½	.05⅞
Area	.11	.11½
Bailor	.01	.01½
Barb. Lar.	.17	.18
Big Master	.02	.03
Bilmac	.05½	.07
Baldwin	.01½	.02
Buf. Bear	..	.15
Cuniptau	.04	.04½
Calder Bo.	.03	.04
Camlaren	.15	.17
Cana. Pan.	.03	.04½
Cana. Kirk.	.01	.01½
Capital R.	.02½	.03
Central M.	.03½	.04
Chan. Yel.	..	.20
Cheminis	.06½	.07½
Coin Lake	.03½	.04½
Crowshore	.06	.08
Cont. Kir.	.11	.12
Dawson W.	.02	.03
Delandor	..	.07
Delwood	.02	.02½
Desantis (new)	..	.30
Doreva	.05½	.06½
Devon	.24½	.26
Don Mart	..	.04
Dunlop (new)	.02	.02½
E. Lacoma	.01	.02
Elmos	.25	.28
Frontier	.04	.05½
Gate Pat.	.02½	.03½
Gilbec	.01½	.02
Goldside	.01	.01½
Golden G.	.34	.36
Golden Tr.	.07	.08
Gordon Lb.	.03½	.04
Hallnor	8.25	9.00
Halliwell	.03½	.04½
Hislop	.02½	.03½
Hiawa'a	.95	1.00
Hutch. Lake	.02½	.03½
Hugh PaP.	.09	.10
Keora	.02½	.03
Keystone	.00⅞	.01½
Kaw Crow	.02⅞	.03½
Kenricia	.18	.21
Kewaga'a	.10	.11
Kir. Vit.	.02½	.03
King Fish	..	.01
Kirk. Gat.	.06	.08
Kirk. Hunt.	.01	.01½
Lacoma	.02⅞	.03½
Lafayette	.01	.01½
Lake Duf.	.70	.72
Lake Gen.	.14	.16
Lake Rose	.05	.07
Lamaque	6.00	6.20
Lardego	.02½	.03
Lucky Kir.	.03½	.04
Magnet L.	.09½	.11
Magnet C.	.50	.55
Manco	.01½	.01½
Martin B.	.12	.13
Mata Cana.	.05	.06
Moffatt Hall (new)	.04	.05
McFar. LL.	.01½	.02
McCarthy	.06	.07
McVit. Kir.	.01½	.02½
Monarch	.01½	.02½
Mosher	.21	.22
Mooshla	.04½	.05½
Norlake	.02	.03
Norbeau	.55	.61
Negus	.65	.75
North Sho.	.01½	.02
Oklend	.17½	.19
O'Leary	.03½	.04
Opemiska	.08	.10
Oriole	.02⅞	.03½
Ossian	.02½	.03
Parkhill	.01	.01½
Pascalis	.30	.32
Porc. Lake	.08	.10
Porc. McN.	.02½	.02½
Plains P.	1.00	1.05
Planet	.01	.01½
Pontiac R.	.16½	.17
Pelangio	.03½	.04½
Polaris	.26	.27
Propri'y	1.68	1.70
Presdor	.05	.06
Queb. Mn.	.15	.17
Rand Ml.	.18	.19
Rajah	.02½	.03
Raymond	..	.24
Ribago (new)	.03½	.04
Red LGS	.02⅞	.03½
Rich Rock	.05½	.07
Ronda	.13	.14½
Rouyn Re.	.02	.02½
Rubec	.01½	.02
Sachigo	14.75	15.75
Shenango	.16½	.17½
Sheldon	.08	.09
Silver Val.	.03½	.04½
Siscoe E.	.08	.09
Smelter	.02½	.03
South Ver.	.04	.05
Spooner	.04½	.05
Sturg. Rv.	.19	.20
Sunbeam	.26	.28
Sun Bear	.02½	.03
Surf. Inlet	.15	.17
Springer	.07	.09
Tonawanda	.01⅞	.02½
Up. Can.	.48½	.51
Virita	.03	.04
Williamson	.01½	.02
Wilport	..	.07
Wesley	..	.03
Wells LL.	.10½	.12
Westside	.01⅞	.02
Westwood	.06⅞	.08
Wh. Horse	.03½	.04½
Winoga	.04	.05
Woco	.12	.14
Y. David'n	.21	.23

MONTREAL
September 20, 1938

	Bid	Ask.
Abbeyville	.08	.10
Amity	.01½	.02½
Brown Cadillac	.01	.02
Chibmac	.01½	.02
Cournor	..	.20
Dempsey Cad.	..	.03
Dorval Units	..	8.00
Lake Rowan	.06½	.08
L. L. Lagoon	.03½	.05
Leroy	.01	.01½
Margaret	..	.10
Obalski	.07	.08
Pan. Canadian	..	.11
Routhier Cad.	..	.05
Valdor Min.	1.00	1.15
Warrenmac	.07	.10

Government Bonds

(Supplied by Investment Dealers' Association of Canada)

Dominion of Canada Bonds

Sept. 21, 1938	Bid	Asked	Approx. Yld.
1 Jan. '39	100.50	101.25	...
1 June '39	99.50	100.25	.70
15 Nov. '39	100.50	101.25	.92
15 Oct. '39	101.00	101.75	.87
15 Oct. '39	102.50	103.25	.97
1 June '40	100.00	100.75	1.05
1 Sept. '40	105.00	105.75	1.50
15 Mar. '41	98.75	99.50	1.20
15 Nov. '41	108.50	109.50	1.89
1 June '42	100.25	101.00	1.72
15 Oct. '42	103.50	104.25	1.92
1 June '43	101.75	102.50	1.94
15 Oct. '43	111.75	112.75	2.15
1 June '44	99.00	99.75	2.04
15 Jan. '44	100.50	101.50	▲1.89
15 Oct. '44	109.75	110.75	2.58
15 Nov. '44	100.50	101.50	2.24
15 Aug. '45	101.12	101.87	▲2.10
15 Oct. '45	107.00	108.00	▲2.32
1 Feb. '46	110.00	111.00	2.84
1 June '49	101.00	102.00	▲2.95
15 Oct. '49	102.50	103.50	▲2.86
15 Nov. '51	100.50	101.50	▲3.08
1 May '52	110.75	111.50	▲1.75
15 Oct. '52	106.50	107.50	▲3.08
1 June '55	97.75	98.75	3.09
1 Nov. '56	109.50	110.50	▲3.08
1 Nov. '57	109.75	110.75	▲3.18
1 June '58	96.75	97.75	3.15
1 Nov. '58	110.50	111.50	▲3.20
1 Nov. '59	110.75	111.75	▲3.26
1 Oct. '60	108.62	109.37	▲3.06
15 Jan. '61	102.75	103.50	▲2.99
1 June '66	98.75	99.75	3.26
15 Jan. '67	96.87	97.62	3.13
Perp. bonds	88.00	89.00	3.37

Dominion Guaranteed Bonds

Canadian National Railway:	Bid	Asked	Approx. Yld.
15 Jan. '42	100.00	101.50	1.54
15 Feb. '43	99.25	100.25	1.93
1 May '44	102.00	103.00	2.43
15 Dec. '50	97.50	98.50	3.14
15 Feb. '53	97.00	98.00	3.17
1 Sept. '51	113.25	114.25	3.15
1 Feb. '56	113.75	114.75	3.38
1 July '57	113.50	114.50	3.45
15 June '55	116.25	117.25	3.40
1 Feb. '54	118.00	119.00	3.41
1 July '69	115.00	116.00	▲2.80
1 Oct. '69	118.00	119.50	▲3.26
1 Feb. '70	118.00	119.50	▲3.31

Provincial Government Bonds

		Bid	Asked	Approx. Yld.
New Brunswick:				
3	15 Oct. '51	90.50	92.50	3.71
3½	15 June '56	93.00	95.00	3.89
	15 Nov. '47	100.50	102.00	▲3.67
4½	15 Apr. '61	103.00	105.00	4.16
	15 Jan. '60	108.00	110.00	4.29
Nova Scotia:				
3	2 Jan. '52	95.00	96.50	3.32
3¼	1 June '56	97.00	98.50	3.36
3½	15 Dec. '49	100.00	101.50	3.34
4½	15 Sept. '52	109.50	111.00	▲3.09
4½	15 Nov. '60	111.50	113.00	3.65
5	1 Mar. '60	117.00	119.00	3.71
Ontario:				
2½	15 May '45	99.50	101.00	2.33
3	1 Dec. '51	97.50	98.50	3.14
3¼	15 Nov. '51	99.50	100.50	3.20
4	1 June '62	107.00	108.50	▲3.47
4½	1 June '50	110.50	112.00	3.28
4½	15 Jan. '62	113.00	115.00	3.55
5	15 Oct. '48	114.00	115.50	3.18
5	2 Dec. '60	120.00	122.00	3.57
5½	1 July '46	115.00	116.50	3.10
Ont. Hydro Comm.:				
3	1 Aug. '48	97.00	98.50	3.17
3¼	1 Feb. '53	99.00	100.50	▲3.20
3½	1 Apr. '47	101.50	103.00	3.10
Prince Edward Island:				
3	1 Oct. '45	99.00	100.50	2.93
Quebec:				
3	1 Nov. '51	95.50	97.00	3.27
3¼	1 Mar. '48	98.00	99.50	3.31
3¼	1 June '52	97.50	99.00	3.34
4	15 Mar. '52	104.50	106.00	3.44
4¼	1 Aug. '58	108.00	110.00	3.55
4½	2 Jan. '63	110.50	112.50	3.72
Alberta:				
4	15 Dec. '54	53.00	57.00	§
4½	1 Oct. '51	57.50	61.50	§
4½	1 Oct. '56	55.00	59.00	§
5	1 Oct. '59	57.50	61.50	§
5½	1 Apr. '52	58.00	62.00	§
	1 Mar. '47	59.50	63.50	§
British Columbia:				
4	1 Dec. '57	88.50	91.50	4.67
4½	15 Jan. '51	96.25	99.25	4.58
4½	1 Oct. '53	94.75	97.75	4.71
5	25 Apr. '54	98.00	101.00	4.91
5½	1 Feb. '45	100.50	103.50	4.85
6	15 Feb. '47	101.75	104.75	5.29
Manitoba:				
4	1 Dec. '57	82.00	86.00	5.15
4½	15 Dec. '56	86.00	90.00	5.36
5	2 Dec. '59	94.00	98.00	5.15
5½	1 Oct. '55	95.75	99.75	5.52
6	1 Apr. '47	98.25	102.25	5.66
Saskatchewan:				
4	1 Nov. '60	65.50	69.50	6.63
4½	1 Oct. '51	77.50	81.50	6.65
4½	15 Mar. '60	69.00	73.00	6.93
5	1 Aug. '58	74.00	78.00	7.07
5½	1 Oct. '52	80.00	84.00	7.35
6	15 Mar. '52	83.50	87.50	7.48

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. Payable Can. & N.Y. ▪Payable N.Y. Callable on or after Sept. 15, 1936. Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass, pref.	$1.75	Oct. 1	Sept. 15
Asbestos Corp.	50c	Sept. 30	Sept. 15
Do., extra	50c	Sept. 30	Sept. 15
Assoc. Breweries, c.	20c	Sept. 30	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Acme Glove	12½c	Oct. 1	Sept. 17
Do. pref.	$1.62½	Oct. 1	Sept. 17
Am. Cyan., A & B	15c	Oct. 1	Sept. 15
Belding-Cort.	$1	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Brant. Cordage, p.	32½c	Oct. 15	Sept. 20
Build. Prod., A & B	50c	Oct. 1	Sept. 16
Bell Tel., c.	$2	Oct. 15	Sept. 23
Bralorne Mines	15c	Oct. 15	Sept. 30
Do., extra	10c	Oct. 15	Sept. 30
B. C. Power, A	50c	Oct. 15	Sept. 30
Burling. Steel, c.	15c	Oct. 1	Sept. 15
Bk. of N. Scotia	$3	Oct. 1	Sept. 15
Brazilian Trac., pf.	$1.50	Oct. 1	Sept. 15
Burt, F. N.	30c	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Brit. Amer. Oil	25c	Oct. 1	Sept. 16
Brit. Amer. Assur.	$1.50	Oct. 1	Sept. 27
B.C. El. Pr. & G. p.	$1.50	Oct. 1	Sept. 20
Can. Bread, 1st pf.	$1.25	Oct. 1	Sept. 22
Do., B pref.	62½c	Oct. 1	Sept. 22
Do., arrears	12½c	Oct. 1	Sept. 22
Canada Life	$5	Oct. 1	Sept. 30
Can. Fairbanks, pf.	$1.50	Oct. 15	Sept. 30
Candn. Oil, pfd.	$2	Oct. 1	Sept. 20
Can. Westinghouse	50c	Oct. 1	Sept. 20
Canada Packers	75c	Oct. 1	Sept. 15
Cariboo Gold	2½c	Oct. 1	Sept. 9
Do., extra	1½c	Oct. 1	Sept. 9
Can. Car & F. pf.	43c	Oct. 10	Sept. 26
Can. Celanese pf.	$1.75	Sept. 30	Sept. 16
Chartered Trust	$1	Oct. 1	Sept. 15
Commercial Alcohols pf.	10c	Oct. 15	Oct. 1
Can. Wire. Box, A.	37½c	Oct. 1	Sept. 15
Can. Gen. Elec.	$1.50	Oct. 1	Sept. 15
Celanese of Am.	$1.75	Oct. 1	Sept. 16
Do., part. pref.	‡$2	Oct. 1	Sept. 16
Can. Nor. Pwr.	30c	Oct. 25	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Canners, 1st pf.	25c	Oct. 1	Sept. 15
Do., 2nd pref.	15c	Oct. 1	Sept. 15
Candn. Cotton, c.	$1	Oct. 1	Sept. 16
Do., pref.	$1.50	Oct. 1	Sept. 16
Can. Indust., pf.	$1.75	Oct. 15	Sept. 30
Do., A & B	$1.25	Oct. 31	Sept. 30
Confederation Life	$1	Sept. 30	Sept. 25
Cons. Bakeries	25c	Oct. 1	Sept. 20
Can.-Perm. Mtge.	$2	Oct. 1	Sept. 15
Can. For. Inv., pf.	$2	Oct. 1	Sept. 15
Cosmos Imp., pf.	$1.25	Oct. 15	Sept. 30
Carnation Co., pf.	$1.25	Oct. 1	Sept. 17
Consumers' Gas	$2.50	Oct. 1	Sept. 15
Cent. Can. Loan	$2	Oct. 1	Sept. 19
Consumers' Gas	$2.50	Oct. 1	Sept. 15
Dom. Foundries, c.	40c	Oct. 1	Sept. 20
Dom. Glass	$1.25	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
David & Frere	15c	Sept. 30	Sept. 15
Dom. Textile, c.	$1.25	Oct. 1	Sept 15
Do., pf.	$1.75	Oct. 15	Sept. 30
Dominion Coal, pf.	37c	Oct. 1	Sept. 15
Dominion Bank	$2.50	Oct. 1	Sept. 20
Dominion Tar, p.	$1.37½	Nov. 1	Oct. 12
Eastern Steel, pf.	$1.75	Oct. 1	Sept. 15
Falconb. Nickle, c.	7½c	Sept. 29	Sept. 14
Fanny Farmer	25c	Oct. 1	Sept. 15
Do., extra	25c	Oct. 1	Sept. 15
Frontier Rylts.	*	Sept. 27	Sept. 20
Gt. Lakes Pwr., pf.	$1.75	Oct. 15	Sept. 30
Gt. West. Life	$5	Oct. 1	Sept. 20
Goodyear Tire	62c	Oct. 1	Sept. 15
Do., pref	62½c	Oct. 1	Sept. 15
Gatineau Pr., pf.	$1.25	Oct. 1	Sept. 1
Greening Wire	15c	Oct. 1	Sept. 15
Ham. Un. Thea. P.	$1.50	Sept. 30	Sept. 15
Ham. Cotton, pfd.	50c	Oct. 1	Sept. 15
Huron & E. Mtge.	$1	Oct. 1	Sept. 15
Hedley Mascot	3c	Oct. 1	Sept. 1
Hinde & Dauch	25c	Oct. 1	Sept. 15
Hollinger Cons.	5c	Oct. 7	Sept. 23
Do., extra	5c	Oct. 7	Sept. 23
Inter. Power, pf.	$1.50	Oct. 1	Sept. 15
Int. Milling, pf.	$1.25	Oct. 15	Oct. 1
Int. State Rlty., A	28c	Oct. 1	Sept. 15
Imperial Tob., ord.	10c	Sept. 30	Sept. 9
Indust. Accept., A	50c	Sept. 30	Sept. 15
Do., pf.	$1.25	Sept. 30	Sept. 15
Do., extra	12½c	Sept. 30	Sept. 20
Inter. Bronze	37½c	Oct. 15	Sept. 30
Do., pref.	37½c	Oct. 15	Sept. 30
Inter. Nickel, c.	50c	Sept. 30	Aug. 31
Inter. Nickel, pfd.	$1.75	Nov. 1	Oct. 4
Invest. Found., pf.	75c	Oct. 15	Sept. 30
Int. Pub. Ser.	43¾c	Oct. 1	Sept. 16
Do., pref.	$1.75	Oct. 1	Sept. 16
Do., 7% pref.	1¾%	Oct. 1	Sept. 16
Kelvinator of Can.	75c	Sept. 29	Sept. 19
ot. Belle	4c	Oct. 22	Oct. 15
Do., extra	1c	Oct. 22	Oct. 15

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 224

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 30th September, 1938, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 1st day of October, 1938, to shareholders of record of the 20th September, 1938.

By Order of the Board.

Robert Rae,
General Manager.

Toronto, 11th August, 1938.

George Weston Limited

Preferred Dividend No. 11

NOTICE IS HEREBY GIVEN that a dividend of one dollar and twenty-five cents ($1.25) per share has been declared on the 5% Cumulative Redeemable Convertible Preference Shares of George Weston Limited, payable on the 1st day of November, 1938, to shareholders of record at the close of business on the 15th day of October, 1938.

By Order of the Board.

W. H. KEMP,
Assistant Secretary.

Toronto, September 14th, 1938.

The Wabasso Cotton Company Limited

Notice of Dividend

A dividend of twenty-five cents per share has been declared on the capital stock of The Wabasso Cotton Company Limited, payable 1st October, 1938, to shareholders of record as at close of business on 24th September, 1938.

By Order of the Board,

H. W. CAPEL,
Secretary-Treasurer.

Three Rivers, Que.
15th September, 1938.

Silverwood Dairies, Limited

PREFERRED DIVIDEND No. 2

Notice is hereby given that a dividend of twenty cents (20c) per share has been declared on the Preferred Shares of the Company, for the current six months' period, payable October 1st, 1938, to Shareholders of record at the close of business on September 26th.

By Order of the Board,

J. H. GILLIES,
Secretary-Treasurer.

London, Ontario,
September 17th, 1938.

Canadian Power and Paper Investments, Limited

5% Thirty-Year Debentures, Series "A"

NOTICE OF PAYMENT OF INTEREST

NOTICE IS HEREBY GIVEN that on the 1st day of October, 1938, payment of interest on the 5% Thirty-Year Debentures, Series "A", 1958, of Canadian Power and Paper Investments, Limited, will be made, at any branch of The Royal Bank of Canada in the Dominion of Canada or at the Agency of The Royal Bank of Canada in the Borough of Manhattan in the City of New York, in the State of New York, on the basis of $25.00 (less income taxes deductible at the source, if any) with respect to each $1,000.00 principal amount of such 5% Thirty-Year Debentures, Series "A," or at any branch or office of The Royal Bank of Canada in the City of London, England, on the basis of £5.2.8¾ (less income taxes deductible at the source, if any) with respect to each £205.9.7 principal amount of the said 5% Thirty-Year Debentures, Series "A", at the holder's option, such payment to be made in currency constituting legal tender at the time of payment in the country in which such payment is made and only against surrender of Interest Coupon No. Twelve (No. 12), (dated 1st February, 1934), pertaining to such Debentures.

GIVEN at the City of Montreal this 20th day of September, 1938.

By Order of the Board of Directors.

CANADIAN POWER AND PAPER INVESTMENTS, LIMITED

L. C. HASKELL,
Secretary.

Dividends Declared (Con.)

	This payment	Date payable	Date of record
Lava Cap. Gold	3c	Sept. 30	Sept. 10
Landed Bkg.	$1.25	Oct. 1	Sept. 15
Lang, J. A.	17½c	Oct. 1	Sept. 15
Montreal Tele.	80c	Oct. 15	Sept. 30
Mtl. C. D. Bank	$3	Oct. 1	Sept. 15
Moore Corp.	40c	Oct. 1	Sept. 14
Do., A & B pf.	$1.75	Oct. 1	Sept. 14
Marcus Loew's pf.	$1.75	Sept. 30	Sept. 20
Moneta Porc.	3c	Oct. 1	Sept. 15
Mtl. L. H. & Pr.	37c	Oct. 31	Sept. 30
McColl-Fron. P.	$1.50	Oct. 15	Sept. 30
National Brew., c.	50c	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Nat. Biscuit	40c	Oct. 15	Sept. 16
N.S. Light & Pr.	$1.50	Oct. 1	Sept. 17
National Trust	$2	Oct. 1	Sept. 20
North Star Oil, pf.	8¾c	Oct. 1	Sept. 15
New Eng. Pr., 6% p.	$1	Oct. 1	Sept. 1
Do., $2 pref.	33⅓c	Oct. 1	Sept. 1
Niagara Wire	25c	Oct. 1	Sept. 20
Nat. Steel Car	50c	Oct. 15	Sept. 30
Nat. Grocers, pfd.	$1.75	Oct. 1	Sept. 21
North. Ont. Pr., p.	$1.50	Oct. 25	Sept. 30
Do., com.	30c	Oct. 25	Sept. 30
Ottawa L., H. & P.	$1.50	Oct. 1	Sept. 15
Do., pref.	$1.25	Oct. 1	Sept. 15
Ogilvie Flour, c.	25c	Oct. 1	Sept. 20
Ont. Loan & Deb.	$1.25	Oct. 1	Sept. 15
Pamour Porc.	▲12c	Nov. 1	Oct. 14
Page-Hersey	$1	Oct. 1	Sept. 15
Porto Rico Pr. pf.	$1.75	Oct. 1	Sept. 15
Premier Gold	3c	Oct. 15	Sept. 16
Petrol. Oil & Gas	2c	Oct. 1	Sept. 15
Pickle Crow G.	10c	Sept. 30	Sept. 15
Pioneer Gold. B.C.	10c	Oct. 1	Sept. 1
Power Corp., 1st pf.	$1.50	Oct. 15	Sept. 30
Do, 2nd pfd.	75c	Oct. 15	Sept. 30
Reno Gold	1½c	Oct. 1	Sept. 10
Remington Rand, c.	20c	Oct. 1	Sept. 9
Do., pref.	$1.12½	Oct. 1	Sept. 9
Riverside Silk, A	50c	Sept. 30	Sept. 15
Russell Indust.	$1.50	Sept. 30	Sept. 15
Do., pref.	$1.75	Sept. 30	Sept. 15
Royal Crest Pete.	1½c	Sept. 30	Sept. 21
Silverwoods, pf.	20c	Oct. 1	Sept. 26
Stand. Steel, pf.	75c	Oct. 1	Sept. 24
Do., arrears	75c	Oct. 1	Sept. 24
Simon & Sons	†15c	Sept. 30	Sept. 14
Do. pref.	$1.75	Sept. 30	Sept. 14
Sheep Creek G.	3c	Oct. 15	Sept. 30
Sylvanite Gold, c.	5c	Sept. 30	Aug. 20
South. Can. Pr., p.	$1.50	Oct. 15	Sept. 20
Smith, How., pf.	$1.50	Oct. 15	Sept. 30
Stand. Fuel, pf.	$1.62½	Oct. 1	Sept. 15
Sher.-Williams, p.	‡$1.75	Oct. 1	Sept. 15
Stedman Bros.	15c	Oct. 1	Sept. 20
Sun Life	$3.75	Oct. 1	Sept. 15
Three Point Pet.	▲1c	Sept. 30	Sept. 21
Tip Top Tailors, p.	$1.75	Oct. 1	Sept. 20
Do., com.	15c	Oct. 1	Sept. 20
Tamblyn	20c	Oct. 1	Sept. 20
Do., pref.	62½c	Oct. 1	Sept. 20
Toronto Gen. Tr.	$1	Oct. 1	Sept. 17
Teck-Hughes G.	10c	Oct. 1	Sept. 9
Do., bonus	5c	Oct. 1	Sept. 9
Toronto Mortgage	$1.50	Oct. 1	Sept. 15
United Bond & S.	20c	Oct. 15	Sept. 30
Viau Ltd. pf.	$1.25	Oct. 1	Sept. 20
Vulcan-Brown	▲1¾c	Sept. 30	Sept. 21
Wabasso Cotton	25c	Oct. 1	Sept. 24
West. Assur., c.	$1.20	Oct. 1	Sept. 27
Weston, Geo., pf.	$1.25	Nov. 1	Oct. 15
West Koot. Pr., pf.	$1.75	Oct. 1	Sept. 15
Weston, Geo., c.	20c	Oct. 1	Sept. 15
Wr-Harg	10+5c	Oct. 1	Aug. 26

‡On arrears. †Interim. ▲Initial.
*Amount to be determined later.

Dividend Deferred—
Can. Foreign Investment, com., due Oct. 1. Last paid 40c. July 1, 1938.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

DIVIDEND NOTICES

Notice of Dividend

Famous Players Canadian Corporation LIMITED

NOTICE is hereby given that a dividend of Fifteen (15c) Cents per share has been declared on all issued common shares of the Company without nominal or par value, payable on the 1st day of October, 1938, to shareholders of record Friday, the 30th day of September, 1938.

By order of the Board.

THOS. J. BRAGG,
Secretary-Treasurer

Dated at Toronto, this 19th day of September, 1938.

National Steel Car Corporation Limited

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of fifty cents (50c) per share has been declared, payable October 15th, 1938, to shareholders of record at the close of business, September 30th, 1938.

By order of the Board.

CHAS. W. ADAM,
Secretary.

Hamilton, Ontario,
September 14th, 1938.

Moneta Porcupine Mines Limited

(No Personal Liability)

DIVIDEND No. 1

NOTICE is hereby given that a dividend of three cents per share has been declared by the Directors of Moneta Porcupine Mines Limited (No Personal Liability) payable in Canadian funds on October 1st, 1938, to Shareholders of record September 15th, 1938.

By order of the Board.

W. C. C. MACKENZIE,
Secretary.

Toronto, Ontario,
September 2nd, 1938.

Hollinger Consolidated Gold Mines Limited

Dividend Number 310
Extra Dividend Number 47

* A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 7th day of October, 1938, to shareholders of record at the close of business on the 23rd day of September, 1938.

Dated the 16th day of September, 1938.

I. McIVOR,
Assistant-Treasurer.

The Sherwin-Williams Company of Canada, Ltd.

Notice is hereby given that the One Hundred and Second Quarterly Dividend of One and Three-quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum for the Quarter ending November 30, 1936, on the Preferred Stock of the Company, has been declared payable to Shareholders of record the 15th day of September, 1938, and that cheques will be mailed October 1, 1938.

Books not closed.

By Order of the Board,

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que., September 8, 1938.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per Share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st October, 1938,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

1st September, 1938.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable October 1st, 1938, to shareholders of record as at close of business, September 15th, 1938.

W. S. BARBER,
Secretary-Treasurer.

Toronto, Ontario.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Common Dividend No. 37

NOTICE is hereby given that a Dividend of 30c. per share being at the rate of $1.20 per annum, has been declared on the no par value Common Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending September 30th, 1938, payable October 25th, 1938, to shareholders of record at the close of business on September 30th, 1938.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, September 6th, 1938.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 55

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending September 30th, 1938, payable October 15th, 1938, to shareholders of record at the close of business on September 30th, 1938.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, September 6th, 1938.

GRAIN EXCHANGE HEAD

John W. Horn, assistant general manager of Western Canada Flour Mills Co., was elected president of the Winnipeg Grain Exchange at the annual general meeting of the Exchange last week.

Council elected for 1938-39 includes C. E. Eggleston, Henry Gauer, C. E. Hayles, George W. P. Heffelfinger, Stanley N. Jones, R. W. Milner, F. W. Parrish, R. C. Reece, A. C. Reid, Harold L. Saunders, S. A. Severson.

The committee of arbitration named consists of C. E. Eggleston, John B. Fisher, F. O. Fowler, G. N. Heimbecker, N. L. Leach, H. Sellers, G. R. Severson. The following were elected to the committee of appeals: W. R. Bawlf, C. E. Hayles, W. A. Murphy, W. H. McWilliams, E. S. Parker, J. A. Richardson, A. P. White.

C. & E. Corp. Nets 9 Cents

Royalties Derived from 27 Wells This Year, 20 a Year Ago

Annual report of Calgary & Edmonton Corporation for year ended June 30, 1938, shows an increase in proceeds from mining rights and minerals as compared with the previous year. Total income from this source amounted to $291,801 for the year ended June 30, 1938, as compared with $250,265 in the 1937 period. After deduction of operating expenses and income tax, a profit of $204,300 was shown in realization account for the 1938 fiscal year as against $181,182 the previous year.

Profit in income and surplus account amounted to $18,007 in year ended June 30, 1938, and $15,041 in the 1937 fiscal period.

Based on the combined figures of profits as shown by the realization and income and surplus accounts, total net profits amounted to $222,307 or 9 cents per share in 1938 and $196,223 or 8 cents per share in 1937.

Directors are considering a distribution from distributable surplus. The decision will take into consideration earnings for the first quarter of the corporation's current fiscal year and commitments on development account.

Completion of seven wells drilling in the Turner Valley on corporation leases late in August was expected to add to production from which the corporation's revenue is derived.

Realization Account
Years Ended June 30

	1938 $	1937 $
Inc. from disposition of min. rts. & minerals*	291,801	250,265
Less expenses:		
Management & sals.	17,080	16,930
Directors' fees	4,500	4,375
Trav. exps., general	2,345	2,072
Inspection exps.	1,751	1,529
Legal charges	722	1,601
Postage, stationery, etc.	1,548	1,518
T'phone & telegraph	1,508	2,303
Office rent	780	780
Mineral taxes	10,014	1,921
Sundry charges	2,158	795
Transfer agent's fees	2,683	1,743
London, secretarial fees	250	250
Legal & other exps. re income taxes	......	200
Exp. re tar. bd. inq.	1,500	......
Suspense acct. w/o	755	......
Exps. re option leases	383	1,500
Prov. for inc. taxes	39,524	31,566
Profit for period	204,300	181,182
Add: Prev. surplus	257,916	98,835
Less: Inc. tax, pr. yrs.	3,083	22,101
Res. for expend. on devel.	165,000	
Balance forward	294,133	257,915

*Including $222,045 in 1938 and $100,827 in 1937, received or due as royalties.

	1938	1937
Earnings per Share‡	$0.09	$0.08

‡Based on total profit of income and surplus account and realization account for period.

Income and Surplus Account
Years Ended June 30

	1938 $	1937 $
Interest on invests.	9,487	11,817
Divds. on invests.	11,843	6,791
Total revenue	21,330	18,608
Less: Prov. for inc. taxes	3,323	3,567
Surplus for period	18,007	15,041
Add: Prev. surplus	68,115	56,377
Adj. Dom. inc. tax	1,018	......
Less: Dom. inc. tax, pr. yrs.	......	2,578
Man. inc. tax, pr. yrs.	......	725
Balance forward	87,140	68,115

Southern Canada Power Completes Capital Plan

From Our Own Correspondent

MONTREAL.—Supplementary letters patent have been issued to Southern Canada Power Co. covering the capital adjustment approved by the shareholders a short time ago. The scheme involved writing down of the common stock value from $8,672,000 to $8 millions. Against this the company wrote off certain "assets" which had no tangible value.

CANADIAN GENERAL INVESTMENTS LIMITED

Dividend Notice

NOTICE is hereby given that a dividend of Twelve and one-half cents (12½c) per share on the paid-up capital stock of the Company has been declared to shareholders of record September 30th, 1938, payable October 15th, 1938.

SHARE WARRANT holders will present Coupon No. 41 at the Main Office of the Bank of Montreal in Victoria, Vancouver, Calgary, Edmonton, Winnipeg, Montreal, Halifax, St. John, or at the King and Yonge Streets Branch, Toronto, where payment will be made at par.

By order of the Board.

E. M. STRAIN,
Secretary.

320 Bay Street,
Toronto, Ontario.

Week in Wheat

Readjustment is Sought During War Excitement

Markets Struggle to Align Themselves to Trend of Developments as Outlook Changed by Rapidly Moving Events

From Our Own Correspondent

WINNIPEG.—Grain markets are still struggling to readjust themselves after the excitement caused by definite threat of war, and some liquidation has occurred of purchases made when tension was at the highest. Actual booking of wheat for shipment has been interrupted rather than accelerated, in contrast with dealings in futures.

Exporters for a time were nervous about offering in quantity, not only for fear of sudden advances in the market, but also because of uncertainties as to exchange and freights. Importers were also hesitant on different occasions, and seemed anxious not to commit themselves beyond their current sales to mills.

Some substantial export business in barley has been worked up during the past few days under the stimulus of extremely low prices, and the likelihood that feed grains will be scarcer in Europe than wheat.

As threshing proceeds in Saskatchewan it is evident that in widespread areas the crop is even more disappointing than earlier fears had indicated. Both grasshopper and rust damage reduced yields. On the other hand, threshing returns for both Manitoba and Alberta have been good.

Price Slump Checked?

The threat of war dominated international wheat markets last week. The reaction from that threat was a dominating influence in the adjustment at the beginning of this week from the higher prices previously reached. It is difficult as yet to disentangle other factors which developed. But it is quite possible that the long price decline previously in progress was definitely checked, and a trading range established in which it is possible for large amounts of business to be done.

At all events a considerable volume of investment buying has been brought into the market, and overseas purchasers have made extensive commitments.

Some of the influences which have commenced to work on the market may be more or less permanent. Present expectation is that Russian wheat exports probably will not be resumed in quantity. The alarm which developed in Danubian countries may check the pressure of marketing there and cause farmers to hold on to supplies. Some subsidized export of the French surplus which was beginning to threaten the market may be brought to an end.

Storage Evident

The impulse to store food supplies has been evident, not only on the part of governments, but also on the part of dealers and housewives.

Farmers in the United States who had begun to check their sales in the expectation of possible higher prices may continue to be cautious sellers.

Perhaps the most important effect that persists will be bringing to an end the long period during which purchasers held off from the market in the expectation that still lower prices might be available in the near future.

Deliveries Interrupted

The first hundred million bushels in the new western wheat crop had been delivered to country elevators prior to the close of last week. The marketing rush which had proceeded at an unprecedented rate up to that time was checked by widespread rains both in Alberta and Saskatchewan. These not only interrupted threshing but made roads so heavy for a time as to make impossible over wide areas heavy deliveries of wheat.

It still appears to be the case that the majority of farmers are anxious to get their wheat as rapidly as possible into the hands of the Wheat Board. To a limited extent a number of farmers are putting their wheat into farm storage, prepared to watch the market for some time and to take advantage of the open market if it should rise above the basic Wheat Board price of 80c. a bushel. If not, they plan to deliver it later to the Wheat Board at that price.

Commodities

Commodity prices during the week have shown varying trends. Indices vary somewhat owing to differences in computation. For instance, the Dominion Bureau of Statistics index for the week was slightly lower while Wood Gundy's sensitive index was higher. Dow Jones index was also above the previous week's.

War demand was responsible for a rise in the price of wheat while copper, cotton, rubber and sugar were also higher. On the other hand, livestock markets were unchanged or lower.

As in other markets, prices veer quickly with changing sentiment. Low inventories in many commodities used in industry have led to a conviction that higher prices should eventually be seen. At the same time the uncertainty of the outlook prevents any very definite position being taken in forecasts.

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$7.00	$7.00	$9.50
Hogs	10.10	10.25	11.50
Copper, lb.	.10¼	.10⅛	.14
Cotton, lb.	.0825	.0801	.0906
Rubber, lb.	.1608	.1585	.1853
Sugar, raw, lb.	.03	.0290	.0340
Silk, lb	1.76½	1.78	1.90
Wheat, Man. (bus).	.64⅝	.62⅛	1.33¼
Coffee, lb.	.05¾	.05¾	.09¼
Hides	.11	.11½	.15¾

Weekly Indices

	Latest week	Previous week	Same week last yr.
Canada (D.B.S.)	74.0	74.6	84.6
Do., Wood, Gundy	56.0	54.8	77.9
U. S. Labor	77.9	77.8	86.8
Dow Jones (future)	47.53	46.89	62.32
Crumps (Brit.)	71.8	71.0	82.5
Fishers'	80.7	80.6	92.4

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Aug.)	84.9	84.2	83.7
W'sale (July)	78.6	80.1	87.6
U. S. (July)	78.8	78.3	87.9
Gt. Brit. (July)	100.6	100.7	111.5

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto Copper-electrolytic, New York: Silk — Japanese, 13-15 New York: Sugar — 96 degrees centrifugal c/f New York: Wheat — No. 1 Man. North, Ft. W.-Pt. A. Basis: Hides — No. 1 packer light.

Grt. W. Saddlery Prospects Better

Operations of Great West Saddlery Co. resulted in an operating loss of $3,183 for the six months period ended June 30, 1938, after deducting all charges, including bond interest, but before making provision for depreciation on buildings and machinery. This compares with an operating profit of $35,253 for a similar period in 1937.

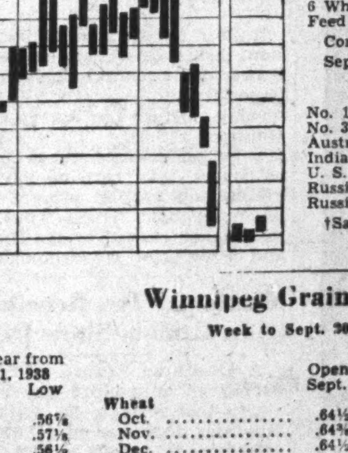
Sales for the half year decreased nearly 15% below those of the same period in 1937. In Saskatchewan, sales volume was 25% below that of last year. In the Prairie Provinces the decrease was particularly severe because of the small amount of moneys carried over from the poor 1937 crop.

The letter to shareholders draws attention to the fact that inventory at June 30 absorbs the loss incident to the pricing of all items affected by the elimination of a portion of the 8% sales tax announced by the Dominion Government early in June.

A sharp improvement is forecast for the remainder of the year, by F. O. Mitchell, president. The crop in the West will probably be nearly double that of 1937, and areas in which there has been little or no buying power (except by way of relief grants) will again become active, Mr. Mitchell states.

Net profit for the year ended Dec. 31, 1937, amounted to $41,613, as compared with $13,882 in 1936.

Wheat Prices



(Cash Quotations)

	For Week Sept. 20 High	Low	Prev. Week High	Low
1 Northern	.67¼	.63	.62¼	.57½
2 Northern	.63¾	.59½	.58⅞	.55
3 Northern	.61½	.57¼	.57⅜	.53½
4 Northern	.59	.52¾	.54⅜	.50½
5 Wheat	.52½	.48¼	.47⅞	.43½
6 Wheat	.46½	.42¼	.41⅞	.37½
Feed Wheat	.43⅛	.39¼	.38⅞	.34½

Competitive Export Prices:
Sept.-Oct. shipments:

	Week to Sept. 20 High	Low
No. 1 North. (Van.)	.87⅞	.84
No. 3 North. (Atlan.)	.81½	.78⅞
Australian (afloat)	.82¾	.79¼
Indian (choice Karachi)	.79¼	.79¼
U. S. White Pac. (afloat)	.77	.75½
Russian† (low quality)	.61⅞	.59⅝
Russian† (high quality)	.69⅝	.67⅞

†Sample afloat.

Winnipeg Grain Futures

Week to Sept. 20, 1938

Crop year from Aug 1, 1938 High	Low		Open Sept. 14	High for week	Low for week	Close Sept. 20	Close year ago
		Wheat					
.77⅝	.56⅞	Oct.	.64½	.67⅛	.61⅝	.62¼	1.26¾
.77¼	.57⅛	Nov.	.64⅝	.67⅛	.61⅞	.62⅜	1.26⅛
.76⅝	.56½	Dec.	.64½	.66¾	.61⅛	.61¾	1.23½
.79⅛	.60¼	May	.67½	.70	.64⅝	.65	1.24⅝
		Oats					
.32⅞	.27	Oct.	.29½	.32¾	.29	.29¼	.52⅛
.31⅞	.25¾	Dec.	.28⅞	.31½	.28⅝	.28⅛	.49
.33¼	.28	May	.30⅝	.33¼	.30	.30	.48¾
		Barley					
.45	.32⅝	Oct.	.36	.38¼	.34⅛	.35⅛	.60
.44⅛	.33⅛	Dec.	.37	.38⅝	.34⅞	.35⅛	.58¼
.44⅝	.35⅛	May	.37½	.40¼	.36⅝	.36¾	.57⅝
		Flax					
1.43⅜	1.27	Oct.	1.35⅛	1.43	1.34½	1.34½	1.76¼
1.40½	1.25¼	Dec.	1.35	1.40½	1.32½	1.33½	1.76¾
		Rye					
.46½	.36	Oct.	.40	.42⅞	.39	.39½	.89½
.47⅛	.36⅝	Dec.	.41	.43½	.39⅝	.40⅛	.89⅛
.47⅝	.39⅛	May	.43	.45⅞	.42⅝	.43	.89⅝

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COMPANY, LIMITED
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Dominion Foundries To Pay Another 40c

Another 40-cent dividend has been declared on the common stock of Dominion Foundries & Steel, payable Oct. 1, 1938, to shareholders of record Sept. 20. This is the second payment at this rate, the first having been made on July 2, 1938.

When the first 40-cent dividend was declared, an increase from the former 25-cent quarterly rate, it was stated that the company had not yet decided whether or not the higher dividend rate could be continued although its general policy was to stabilize payments. Earnings for the first half of 1938 were on a somewhat higher scale than in the corresponding period of 1937.

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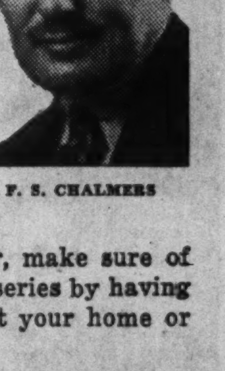
Crisis in Europe

EUROPE at or near the breaking point . . . world business and markets in a state of critical suspense . . . Canadians holding their breath as crisis follows crisis . . .

At the very source of these developments, Floyd S. Chalmers, Editor of The Financial Post, is observing for readers of this newspaper today's historic events abroad. In a series of articles he will describe and interpret them, tell what he sees and tell what he hears in interviews with top-flight leaders in Britain, France, Germany and elsewhere.

F. S. CHALMERS

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Insurance

Health Insurance Again Becoming Public Issue

For some years now health insurance has been an important public issue in British Columbia and legislation at the coming session of the Legislature is likely.

In Ontario efforts have been made to meet the needs of the situation by a voluntary health plan through an association in which the members pay on a monthly basis.

In Alberta a previous government had in mind a scheme of health insurance covering everybody in the province, but it never reached the stage of legislation, before the Social Credit Government came into power. In other provinces the subject has come under discussion from time to time.

In view of the imminence of legislation in British Columbia attention is drawn to what has been done in Australia. In that country the National Health and Pensions Act will come into force on January 1.

It is stated that New Zealand will shortly follow the example of Australia, the Savage Government being committed to a Social Security Bill which is said to be more far reaching than the Australian measure.

The Australian Plan

The Commonwealth plan, according to information received, is compulsory. It is designed to cover all employees earning up to £7 a week but this limit does not apply to manual workers, though without doubt few of them even at Australian rates of pay have incomes of over £365 a year. Other exceptions are those employed persons who already come under some form of superannuation and similar plans with some sort of government guarantee.

The Act is to be operated entirely through approved societies. One important condition is that the term "approved societies" does not include insurance societies and companies carrying on business for profit. These approved societies must have a minimum membership of 2,000 and it will be necessary for each one to form a separate section for the purposes of the Act. Trades unions which comply with the requirements will have a place in the picture.

The insured person will be furnished with a stamp card for which the employer will be responsible as he will have the power to deduct the value of the stamp from wages. In all cases, employer and employee contribute equally.

Principal Benefits

Principal benefits under the plan are:

Insured persons will be entitled to the fullest medical attention possible, for life.

For sickness men will receive 20s. a week, women 15s., for six months.

For disablement, men 15s., women 12s. 6d. and these payments may continue up till the time that the person through age would become eligible for pension.

Juveniles between 14 and 16 years of age will also draw sick benefits to the extent of 5s. a week. Married minors will receive the same scale of benefits as adults and unmarried minors 12s. 6d. and 10s. for male and female respectively.

A feature which resembles the waiver of premium under disability clauses of a Canadian life insurance premiums is found in the provision that during sickness the weekly contribution is suspended and is fully credited to the insured. Mothers coming under the scheme are excused from payment for a fortnight before and for four weeks after confinement.

Payment for Medical Attendance

Terms of payment for medical attendance and the conditions under which this will be rendered have been the subject of considerable discussion. Like Canada, Australia has large sparsely settled sections of country where medical attendance will prove a problem. A "flying doctor" service will be developed to serve these areas.

By a special weekly contribution of 6d. a woman may raise her pension to the same level as a man's while on marriage she may continue her insurance for the pension by a contribution of 1s. a week. The pension for widows is 15s. a week until death or remarriage with 3s. 6d. for each dependent child. This and the allowances for orphan and dependent children are a part of the plan which the government considers most important.

Government's Contribution

The Government's contribution to the scheme is substantial. It will (1) contribute £100,000 annually for the administration of health insurance; (2) 10s. per insured person to meet the liabilities for health benefits; (3) £1 million per annum for five years for pensions, this contribution rising by £500,000 per annum after the first five years until by 1961 the yearly grant is stabilized at £10 millions.

There has been some criticism that a fund so large will entail a heavy charge on a nation still under 7,000,000 population.

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Insurance Problems

Economical Mutual

Will you please give me some information on the Economical Mutual Fire Insurance Company? It recently bought the accident and sickness insurance company in which I have been insured for 25 years.

The Economical Mutual Fire Insurance Company was established in 1871 and is therefore in its 67th year of operation. Head office is at Kitchener, Ontario. The management's record has been good. It is what is known as a cash mutual, which means that it does business on a cash premium system as well as on a mutual system.

It recently was reorganized and in 1936 obtained a charter from the Dominion Department of Insurance. It carries a deposit with the Dominion Government for the protection of policyholders and as a Dominion licensed company, it is subject to examination by the Dominion department. It is licensed to write fire, accident, automobile, plate glass and certain supplemental classes of insurance. According to the last annual report, total assets had a value of $2,594,862. Surplus for the protection of policyholders was $2,032,632.

New Minimum Rates Set on War Risks

Established war risk rates on ship cargoes between Montreal and transatlantic ports were cancelled last week and while underwriters are trying to stabilize the situation there is considerable fluctuation still.

Insurance is still being written on all cargoes going out of Montreal, it is understood, but premiums vary considerably.

The announcement of new minimum rates by Lloyd's at London, however, has helped to steady the market to some extent. The new minimum rates were announced after 48 hours notice given last week.

Canada Life Announces Actuarial Appointments

Following the announcement of important executive appointments by the Canada Life Assurance Company comes the news of three senior promotions in the actuarial department of the institution.

L. K. File, whose appointment as actuary was noted at the time of the other previous changes now becomes chief actuary, while J. D. Williamson and J. G. Beatty formerly assistant actuaries are now appointed actuaries.

J. D. Williamson who becomes actuary has been 28 years with the company, joining it on graduation from the University of Toronto. He became head of the dividend division in 1922 and went to London to take charge of the actuarial work for the company's British Isles Division, in the fall of the same year. On returning to head office in 1924, he was made assistant actuary. He is a Fellow of the Actuarial Society of America and first vice-president of the Life Insurance Institute of Canada.

J. G. Beatty, like Mr. Williamson, is a graduate of the University of Toronto. During the Great War he served overseas for four years, being decorated with the Military Cross in 1917. Joining the Canada Life in 1919 he was appointed assistant actuary in 1924. Nearly all of 1937 was spent by Mr. Beatty doing special work in the company's British Isles Division. He is a Fellow of the Actuarial Society of America.

Guildhall Insurance Co. Opens Marine Department

From Our Own Correspondent

MONTREAL.—Guildhall Insurance Co., of Montreal, announces the opening of an inland marine department.

New Licenses

The Dominion Department of Insurance has issued the following certificate of registry:

Fireman's Fund Insurance Company to write insurance against intentional or other damage to or loss of property of any kind real or personal to the extent authorized by the insurance laws of the State of California in addition to the classes for which it is already registered.

Alberta Brief Slams Lenders

Insurance Companies Are Blamed For Difficulties

Lending institutions generally come in for considerable criticism in the brief addressed by the Government of Alberta to the "Sovereign People of Canada and their Governments."

Among the others the life insurance companies receive a fair share of attention.

The Government of Alberta, the brief states, believes that "life insurance companies have misrepresented their position to the public generally. Do they expect the people of Canada to believe that policyholders should thrive at the expense of our impoverished farmers and city dwellers by taking from them their entire surplus income for interest charges, by evicting them from their homes for non-payment of exorbitant interest, by depriving them of the necessities of life and education for their children and by relegating them to a status removed from serfdom only in name?"

Improvement Reported

Life insurance companies interested in Alberta mortgages continue to report improvement in their general financial status by way of new business written, larger dividends, and increased reserves, the brief states. It also says that many companies have been able to increase their dividends or decrease their premiums by reason of the high rate of interest secured in the past in western Canada and their policyholders have profited for years at the expense of farmers and other borrowers in western Canada.

Agriculture, it says, has contributed already far more than its proper share to life insurance contract holders.

Should Cut Interest Rate

The fact that it is difficult to find investments now bearing an interest rate comparable to those which were obtained some years ago is used as an argument that the rate on existing mortgages should be written down to 3%, while interest charges against those borrowers who, through no fault of their own have been unable to meet their payments, should be written off.

This write-off, it is argued, could be provided for out of the millions of dollars in surplus reserve funds without any hardship to policyholders or by any decrease in dividends paid to policyholders. The cost to such policyholders, it is claimed, would be infinitesimal.

The life companies, it is stated, have the heaviest investment in Alberta of the group comprised of the life companies, the trust companies and the loan companies. Figures are quoted to show that Albertans were more heavily in debt at the end of 1936 than they were at the end of 1928.

In short, the lending institutions themselves are blamed for the enactment of unusual debt legislation in the West.

Insurance Notes

The twelfth International Congress of Actuaries will be held in Lucerne, Switzerland, June 24 to 29, 1940. Five different subjects will come under discussion and four themes for written memoirs are also provided. The five subjects will be the theory of probability in life insurance, cover for special hazards in life insurance, terms to be granted on withdrawal from the contract of life assurance, investment of life assurance funds and the basis and technique of sickness insurance. The four themes for written memoirs are treatment of withdrawals in life assurance, cover for war risks in life assurance, study of internal variation in groups of persons, and the basis of indemnity to be allowed for loss or diminution of professional income. As a novelty it is hoped to arrange four or five lectures in different languages by leading actuaries of different countries during the congress. It is expected that a number of Canadian actuaries will be in attendance and will participate in the programme.

* * *

A. E. Shannon, manager of Lukis Stewart & Co. Ltd., has returned to head office in Montreal and will be succeeded in Toronto by N. S. Philp who has been his assistant here for some time.

* * *

The Mutual Benefit Health and Accident Association has added an additional deposit of $25,000 to its reserve at Ottawa, making a total deposit with the Dominion Government of $325,000 for the protection of Canadian policyholders.

* * *

The Canadian Bank of Commerce announces that it has closed its branch at Goldbridge, B.C., as from August 31. This was the only bank in the town.

* * *

Need of some system of unemployment insurance was stressed by J. G. Parker, joint general manager of the Imperial Life Assurance Company speaking before the Rotary Club of Montreal recently. Such a scheme Mr. Parker pointed out would not, of course, take care of those who are unemployed at present or are unemployable. These would have to be taken care of by the Dominion and Provincial Governments.

Municipal Tax Receipts In Canada Show Decline

A Dominion Bureau of Statistics survey of municipal tax receipts, shows that receipts for 4,300 municipalities decreased to $17,070,680 in 1936 from $17,185,917 in 1935. In 1934, the figure was $18,002,475.

Total receipts by provinces of the 4,300 municipalities were as follows:

Province:	1936 $ (000)	1935 $ (000)	1934 $ (000)
P. E. I.	186	168	*164
New Brunswick	5,033	†2,354	†2,207
Nova Scotia	7,404	7,273	7,108
Quebec	65,445	59,254	59,730
Ontario	121,826	122,109	117,893
Manitoba	18,343	16,622	18,188
Saskatchewan	16,672	16,770	16,625
Alberta	11,326	10,900	12,218
British Columbia	17,071	17,186	18,002

*City of Charlottetown only.
†Saint John and Moncton only.

B.C. Fruit Probe Is Hanging Fire

Asked to Order Enquiry Ottawa Points to Legislation

By STAFF WRITER

OTTAWA.—Last month's sensational charges of a jobber-shipper combine again operating in the Okanagan Valley of British Columbia have not yet been officially investigated, The Financial Post understands.

A prominent Vernon fruit-grower alleged that former members of the old Nash group, flayed by the Duncan investigation of 1925, had, through a series of holding companies, got control of a large number of jobbing and shipping companies. He further charged that with the shipping companies definitely owned by the jobbers, growers were in the same old unhappy position of having no one to look after their marketing interests.

Following the Duncan investigation of 1925, legislation was passed to prevent such situations. That legislation is still on the law books of British Columbia and why it has not been used in this particular case has caused some surprise in Ottawa. Following the Vernon charges the British Columbia Government, The Post understands, appealed to the Combines Investigation Commission at Ottawa.

This Commission, in turn, remembering that legislation had been framed to deal with the situation now reported in Vernon, suggested that British Columbia should handle the job itself. Here the matter rests.

Alberta Forces Ready for Drive

(Continued from page 1)

ganization against Aberhart, but most of them have come to recognize now the need for cautious and considered action. For one thing, the Aberhart menace has dwindled considerably since the voters of Saskatchewan administered Social Credit a sound defeat. For another, the springs of economic dissatisfaction from which Aberhartism arose are still capable of pouring out political revolt, and the best safeguard against this is a longer period of the definite economic improvement that has been slowly gaining ground in Alberta.

Further, it is a fairly safe assumption that the best enemy of the Social Credit Government in the long run will be itself, its seriocomic brain trust in the Social Credit board, and its fiery extremist wing of fanatic supporters.

Early in August Mr. Gray pledged his party to reducing by 15 the 63 seats in the Legislature, and combined this economy pledge with a promise of further specific recommendations by which the Liberals would bind themselves. His formula for the election contest was that a Liberal, or an ally of the Liberal party, would bid for every seat in the province. This announcement revealed that he had turned his back on the party policy of no alliances, and political observers have been patiently awaiting developments.

Conservatives Disappear

The Conservative party as a provincial organization has virtually disappeared through merger with the Unity Council. It is unlikely that the next Alberta election will see any true blue Conservatives in the field. Instead, they would wear the Independent label decided upon by the Unity Council.

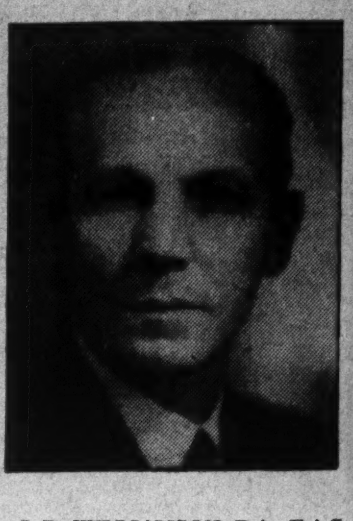
The Unity Council, in whose favor the old People's League withdrew from the field, is quietly extending its organization. It undoubtedly holds the allegiance of many influential voters, and in effect has one member in the Legislature, Dr. Peter Campbell, Lethbridge. His election was the result of unity action against Social Credit in the days before a formal Unity Council made its appearance.

An important factor will be the federal election, which is expected to come before the Alberta contest. One of the weakest units in the Social Credit party is its group of M. P.'s, and most of them could be beaten when the federal election is held. For that reason, the effects of the federal upon the provincial election are likely to be important.

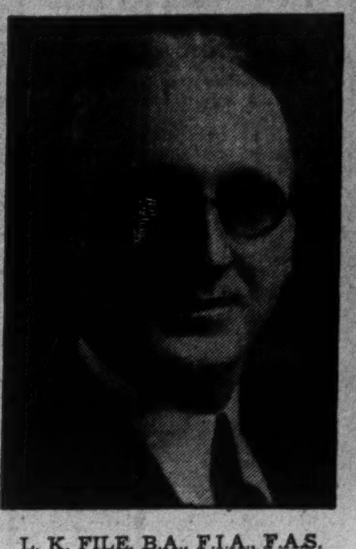
The rôle of the U. F. A. is still undecided and will likely remain so until next winter's annual convention.

The C. C. F., much heartened by its sister party's progress in Saskatchewan, is organizing actively. It is definitely opposed to commitments for the next election and will follow its own course. It starts from scratch as an Alberta party, and its prospects depend on inheriting a section of U. F. A. support and organization, as well as success in forming new locals.

CANADA LIFE CHANGES



J. D. WILLIAMSON, B.A., F.A.S.
Actuary



L. K. FILE, B.A., F.I.A., F.A.S.
Chief Actuary

J. G. BEATTY, M.A., F.A.S.
Actuary

Following the recent announcement of important executive appointments in the Canada Life Assurance Company comes the news of further senior changes in that Company. The Board of Directors have approved the promotion of J. D. Williamson and J. G. Beatty to the position of Actuary. L. K. File, recently appointed Actuary, becomes Chief Actuary. These officials have been associated with the Canada Life from 19 to 30 years.

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Calgary Vancouver
$40,000 loss when modern apartment block burns
FIRE INSURANCE

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
Head Office: Toronto, Ont.
ALL PROFITS FOR POLICYHOLDERS

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company
VANCE C. SMITH, Chief Agent
CONCOURSE BUILDING TORONTO
SERVICE SAVING SECURITY
Fire and Allied Lines Written in Associated Companies

More Massey Shares

Another 1,231 common shares have been issued by Massey-Harris Co. in accordance with the shareholders' resolution of March 12, 1937. By this resolution 50,000 shares were set aside to be allotted and sold from time to time to officers and employees and 8,525 shares have now been issued.

Jantzen
AMERICA'S FINEST FITTING SWIMMING SUIT

She dives 1,000 times for 9·3c
Poster Circulation figures are audited and their accuracy approved by the T.A.B. (Traffic Audit Bureau).
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At a cost of 9.3c per thousand readers, Jantzen Poster Advertising covers Canada's swimming-suit market. Jantzen knows this because poster circulation is audited.
The scarlet beauty of the Jantzen Bathing Girl sells swim suits. Her poster presentation is dynamic. With Poster Advertising, attention is certain — colour and size assure that, impressions are lasting — repetition assures that.
Jantzen, and other poster users, are convinced that Poster Advertising increases sales — reduces selling costs.
P2
POSTER ADVERTISING SELLS!
POSTER ADVERTISING ASSOCIATION OF CANADA

Banking

Bank Secrets and Politics

Banks Withhold Their Fire Despite Material to Confound Critics

In view of the attacks made upon Canadian banks from time to time, and in view of the sources from which many of these attacks arise, Canadian banks must chafe at times under the secrecy which business considerations, ethics and the law impose upon them with regard to their customers' business.

They must have customers they would cheerfully do without, and among those customers there must be many who, knowing that their own affairs will not be disclosed in any circumstances by the banks, wilfully assail the banks with impunity.

This does not refer especially to Alberta, though it must apply there as well as in other parts of Canada; perhaps even more so. Apropos of the whole question of banking secrecy is a review by E. K. Williams, K.C., of Winnipeg, in the Canadian Banker, of an English case wherein it was held by the courts:

"That it is an implied term of the contract between a banker and his customer that the banker will not divulge to third persons the state of the customer's account or of any of his transactions with the bank or any information relating to the customer acquired through the keeping of his account."

When Disclosure Justified

There are one or two exceptions to the above ruling, and these are duly dealt with in Mr. Williams's article. The bank, for instance, may make disclosure "under compulsion of law." It may make disclosure "where there is a public duty to disclose;" or "where the interests of the bank require disclosure."

With this possible latitude, it might be well for the banks to make some serious research into what constitutes "a public duty to disclose" or as to what constitutes "the interests of the bank" in such circumstances.

Certain it is that if banks could disclose the business of some of their customers; if they could divulge facts concerning the accounts of some of them; or information gleaned about some bank customers who are most loud and vocal in criticizing and attacking banks—or about some of those who are the most inveterate writers of "letters to the editor" assailing banks, there would be a sudden and abrupt diminution of banking criticism all over this country. Surely some of the rush for cover would be worth watching.

Where The Money Comes From

Lots of folks would be interested in knowing where some Communist gets his funds and how regularly and how much and what he does with them, while he is mouthing and agitating against "the money power."

Surely the fellow who floods newspaper editorial offices with letters demanding a revolution of the banking system would not like to have it told that he is a dead-beat—that he borrowed so much from such a bank, and so much from another, and skinned them both.

There might be a Social Crediter or two who sold stocks and failed to turn in the money, or something like that. And might there not be a Social Crediter who borrowed from a bank or two for a specific purpose and maybe gambled the money away in the stock market, the oil market or the grain exchange instead?

Would Kill Off Critics Overnight

If there are any of these cases—the disclosure of a few facts as "a public duty" or "where the interests of the bank require disclosure" would kill off these critics overnight and remove thorns from the side of many a bank.

Canada's banks perhaps ought to get a few good lawyers busy to do some scientific examination of the judicial decision as to secrecy, that is dealt with by Mr. Williams.

If a bank tells its customers' business, it runs the undoubted risk of losing customers to another bank. Again, the business of banking demands a high code of ethics as to other people's business. And again, there is the law.

If it weren't for these three considerations, doubtless many a critic of today would never be heard from. It is up to the banks to weigh that question, however, of what constitues "public duty."

Bank Chat

Serial Loans

A type of loan which is being made by United States banks but which has not "taken" in Canada yet at any rate is what is known as the serial type commercial loan.

It is a loan to a company for a period of say three to five years, maturing in installments during that period and providing either working capital or equity capital. It goes well beyond what was considered sound banking in the United States a few years ago and those bankers in this country with whom it has been discussed do not view it favorably. Business loans it is believed should be strictly short term for say three, six or nine months. As a matter of fact the shorter terms are more favored than the longer ones, the borrower being able to renew at regular intervals, which it is claimed has the same effect as a longer term would have. The advantage of frequent renewal is that it gives both banker and borrower a chance to get together and talk things over.

The serial loans in the United States for as long as five years or more mean that the banks are now invading a new field which was formerly closed to them. It is argued that the installment payments make part of the loan a short term one. However, the practice does not appear to have made much if any progress in Canada.

* * *

Seasonal Bulge

An interesting feature of the weekly statement of the Bank of Canada is the increase shown in note circulation. This is a seasonal development due to the movement of the crops. At that time the chartered banks like to have ample supplies of cash on hand in order to meet the heavier demand for money when the farmers market their grain. In the days before there was a Central Bank this was taken care of by advances to the chartered banks under the finance act.

There are a number of factors which may affect note circulation in this way. Tourist trade is one and Christmas trade is another.

At such times the banks usually keep their own notes out among the public retaining the Bank of Canada notes as cash reserve.

* * *

The Bank of Nova Scotia plans to make some alterations and improvements to its building at the southwest corner of Bank Street and Gladstone Avenue, Ottawa. The estimated cost of the work is $5,000.

St. Catharines, Ont.—Assessment of land, buildings and business in St. Catharines now exceeds $25 millions, an increase of over $500,000 from that of 1937.

Weekly Statement Bank of Canada

An increase of $2.7 millions in the note circulation of the Bank of Canada is shown in the statement of that institution for the week ended September 14. The increase is seasonal and is due to the movement of the crop. This was the most important change on the liability side of the statement.

The principal change among the assets was an increase of holdings of short term securities by $3,938,000.

Balance Sheet

	Sept. 14 1938 $	Sept. 7 1937 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	171,477,969	168,747,877
Rest fund	1,348,414	1,348,415
Depos.: Dominion ..	17,579,325	18,244,031
Banks	202,671,733	202,779,813
Other	965,569	690,178
Total deposits	221,216,627	221,714,022
All other liabs.	2,801,148	3,466,810
Total liabs.	401,844,158	400,277,124
Assets		
Reserve: Gold	181,145,782	180,414,902
Res. in sterling and U. S.	31,303,695	32,175,350
Other curr.	763	825
Total reserve	212,450,240	212,591,077
Subsidiary coin	244,694	271,947
Investments:		
Dom. govt. short .	135,375,268	131,437,217
Other Dom. govt. .	48,910,351	48,966,110
Total invest.	184,285,619	180,403,327
Premises	1,684,489	1,682,883
All other assets	3,179,116	5,327,890
	401,844,158	400,277,124
Reserve ratio	54.10%	54.44%

Weekly Bank Clearings

	Sept. 15 1938 $	Change Year Ago %	Sept. 8 1938 $
Halifax	3,311,651	+26.6	2,576,707
Saint John .	1,745,640	— 8.7	1,476,339
Moncton	692,585	— 9.8	687,868
Sherbrooke .	723,406	— 8.9	688,587
Quebec	5,581,958	—10.6	3,653,986
Montreal ...	100,080,853	— 8.9	90,391,067
Ottawa	15,539,367	+ 1.0	24,310,177
Kingston ...	529,907	— 7.6	560,036
Peterborough	631,553	— 9.1	583,986
Toronto	98,316,152	—15.2	90,740,315
Hamilton ...	4,767,000	—15.7	4,249,545
Kitchener ...	1,171,385	— 2.4	918,321
Brantford ...	765,164	—18.3	788,758
London	2,441,906	—15.9	2,234,803
Chatham ...	525,141	—10.8	437,297
Sarnia	427,837	—10.4	437,297
Sudbury	1,116,507	+ 1.3	841,344
Windsor	2,667,803	— 5.6	2,247,110
Fort William	634,052	— 8.7	740,570
Winnipeg ...	64,860,552	+30.9	57,218,989
Brandon	517,153	+30.7	413,328
Regina	9,181,785	+69.3	6,112,951
Moose Jaw .	841,525	+32.5	720,720
Saskatoon ..	1,394,205	— 5.4	1,276,160
Prince Albert	317,733	—36.3	310,701
Edmonton ..	4,004,001	+ 3.2	3,592,814
Medicine Hat	334,661	+13.2	233,228
Vancouver ..	17,933,042	— 7.0	14,213,445
Victoria	1,647,269	— 8.2	1,560,385
Calgary	6,164,388	+14.4	4,960,570
Lethbridge ..	745,610	+22.8	631,495
N. W'minster	580,768	—17.4	573,973

Fredericton, N.B.—A loan of $200,000 under the Municipal Assistance Act has been authorized by the Dominion Government for hospital additions. Work will be started this fall.

Gordon is Named Deputy Governor

Former Secretary Succeeds J. A. C. Osborne at Bank of Canada

Donald Gordon has been appointed Deputy Governor of the Bank of Canada in succession to J. A. C. Osborne who has retired.

Mr. Osborne, whose resignation was accepted by the directors with regret, has been with the Bank of Canada since its organization in 1935. He was formerly secretary of the Bank of England and it is understood was lent by that institution to Canada as an expert in central banking. He entered the service of the Bank of England in 1901 and while there organized the Overseas and Foreign Department and also that statistical department of the bank.

The terms of his appointment provided that while it was for five years he might return to London at an earlier date if circumstances required. It is understood that for personal reasons he found it necessary to return to London.

Mr. Gordon, the new governor, is a Scot by birth, coming to Canada in 1914.

He received his early banking training with the Bank of Nova Scotia and rose through various positions to be assistant manager of the main office of the bank at Toronto from which position he resigned in 1935 to become secretary of the Bank of Canada.

Canada Bread Cuts Arrears

12½ Cents Extra Payment Is Declared on Class B Stock

Payment of 12½ cents a share on arrears, payable Oct. 1, on Canada Bread B preferred stock will reduce dividend arrears to $1.87½ a share taking this payment into consideration.

Regular payments of $1.25 on the first preferred stock and 62½ cents on the class B will also be made on Oct. 1.

The company's profits continued to show an improvement in year ended June 30, although higher wages and materials costs were reported. **Net profit amounted to $261,924, as against $186,891 in 1937, equivalent to earnings on the 5% class B preferred, of $50 par value, of $4.82 and $3.30. respectively, after taking into consideration the participating features of the stock.**

Peerless Corp. Plans To Change Name Approved

Shareholders of Peerless Corp., U. S. concern in which Canadian Breweries has an important but unstated interest, have approved a proposal to change the company's name to Brewing Corp. of America. The new name is that of a wholly-owned subsidiary which has been operating the company's brewing business. The plan also provides for transferring the assets of the subsidiary company to the parent company on Oct. 1, 1938.

Beauharnois Power Fractions Exchanged

From Our Own Correspondent

MONTREAL.—Beauharnois Power Corp. has made arrangements to facilitate the exchange of the fractional certificates of its stock.

In the 1933 reorganization, fractional stock certificates were issued by the National Trust Co. in multiples of 1/180ths. In the 1938 reorganization fractional stock certificates are being issued by the Royal Trust Co. in multiples of ¼ths.

As a result of requests from several brokerage houses, it has been decided to combine the issues. National Trust Co. has agreed to handle this matter and will accept fractional certificates of both series and issue full certificates for the aggregate amount of fractions. They will, in turn, accumulate 1938 fractional certificates and clear with the Royal Trust Co.

Social Credit Swinging Right

Now Seeking Orthodox Solution to Financial Tangle

From Our Own Correspondent

EDMONTON.—Evidence that the Social Credit Government is toying with orthodox solutions to its tangled financial affairs is seen in the visit of Hon. Solon Low, provincial treasurer, to eastern Canada, ostensibly seeking assistance for refunding Alberta's public debt and liquidating bond defaults.

Alberta would require a guarantee from the Federal Government to enter the bond market, it is believed, or to begin negotiations with investment interests.

The next Alberta maturity is for $3,500,000 next January.

Developments have followed to some degree the prediction made several weeks ago by the Calgary Albertan, formerly a newspaper supporter of the Aberhart Government, when it announced that Social Credit was at a dead end, and the Government was seeking for means to break the news gently to its followers.

Auto Makers Debate Return

Hudson Will Enlarge Canadian Manufacturing — Others Less Likely

From Our Own Correspondent

WINDSOR.—All independent automobile manufacturing companies may not be lured back to Canada as a result of the recent more favorable tariff ruling.

Two weeks ago the Dominion Government widened free import of auto parts to those manufacturers turning out less than 10,000 cars a year. Formerly for this group to qualify for the free import privilege Canadian content including labor cost of the completed vehicle had to be 50%. Now it is 40%. This move, it was expected, would make it possible for such companies as Hudson, Studebaker, Packard and Graham to resume assembly operations in Canada and the new Willys company to get started.

Undecided

While a definite decision is still lacking, it is believed, that some of these companies after investigation are convinced that it is still cheaper to bring in completed cars over the 17½% duty than to import a long range of parts free and assemble here. Only solution advanced in such quarters, it is understood, would be to increase the duty on completed cars. Such a step by the present government at Ottawa, however, is considered most remote. Cost of production in Canada due to much smaller market and high distributing charges is considered very much higher than in United States.

Hudson Pleased

One or two of the companies mentioned however, especially those which already have large plant investments in Canada and assembly experience in this country, hope to benefit. Hudson officially stated last week that it expects to enlarge manufacturing operations at Tilbury, Ont., and put more men on its wage roll.

Muirheads Cafeterias To Show Lower Earnings

The annual report of Muirheads Cafeterias, Ltd., which is expected to appear in the early part of October, will show decreased earnings for the fiscal year ended Feb. 28, 1938, from those of the previous fiscal year.

Currently there is said to be a definite improvement in business and the company has implemented a programme of economy in operations. There will be no alteration in the locality or number of stores operated.

There have been no payments on the 7½% preferred stock, of $10 par value since July 1, 1932, and arrears totalled $4.50 at July 1, 1938.

Vegetable Oil Report Soon But Radio Probe Slowed Up

By STAFF WRITER

OTTAWA.—In the fairly near future the Tariff Board is expected to reach a decision regarding its investigation into vegetable oil, but there is little hope of any early report on radios. Enquiry concerning the first-named product got under way well over a year ago and recently the whole problem is reported simplified as a result of better prices and demand. With radios, on the other hand, there have been more complications. Although further public hearings this fall are now believed unlikely, The Financial Post understands that the Board's own investigation is far from complete.

Oil Decision Soon

It is possible that tariff recommendations regarding vegetable oil may be announced this fall or at least soon after Parliament meets again. A number of smaller packing houses, the National Dairy Council and certain other interests are asking for substantial duties. They argue that such would strengthen prices of livestock, butter and allied products. Opposed to this view are the two largest packing companies, the soap manufacturers and confectionery companies.

They contend that a duty on vegetable oils, especially from Empire countries, would add substantially to the price of soap and confectionery, but little or nothing to that of livestock, and might invite tariff retaliation by Britain against our important if not vital bacon export. They claim, too, that butter is not concerned because it is not competitive with lard and vegetable shortening.

The Tariff Board decision is expected to be in the nature of a compromise.

Radio Case Complex

The radio case is newer. It arose over changes that receiving sets cost a great deal more in Canada than supposedly similar sets in United States, even after allowing for present tariff. Manufacturers were accused of using patent rights to up prices unduly.

On investigation the matter has not proved to be as simple as anticipated. The Tariff Board has discovered that Canadian and American radios are not identical. The Canadian has usually been found superior, with longer range, better cabinets. It is going to take some time before sufficient information can be assembled to make accurate comparisons. In the meantime, that information is being gathered.

S. J. McLean Retires From Transport Board

From Our Own Correspondent

MONTREAL. — Assistant Chief Commissioner S. J. McLean has retired from the Transport Commission, formerly the Board of Railway Commissioners. He will, however, continue to serve the commission as a technical officer in an advisory capacity. Dr. McLean has been a member of the commission for 30 years.

Membership of the Transport Commission has now been reduced to four. These are Chief Commissioner Hon. Hugh Guthrie, Deputy Chief Commissioner F. N. Garceau, Commissioner John A. Stoneman and Commissioner George A. Stone.

Spotlight on Labor

Stability in Scandinavia

The degree of stability, smooth operation and mutually satisfactory harmony prevailing in employer-labor relations in Scandinavian countries is attracting considerable attention these days, particularly as a result of the survey of European industrial relations methods recently made by American investigators for President Roosevelt.

The machinery established in Sweden and Norway is analyzed in a recent issue of Business Week on the basis of first hand investigations. It is pointed out that Denmark is in a somewhat different category since passage of laws to outlaw strikes and lockouts and set wages for a term of years. Salient features of the Sweden-Norway system are summed up as:

1. Special labor courts to enforce agreements, and damages for parties injured by violations.
2. Compulsory employer-employee negotiations and Government conciliation in event of dispute, but neither compulsory arbitration nor denial of right of strikes or lockouts after reasonable effort to avoid them has been made.
3. Unusually close-knit and comprehensive organization of both workers and employers, and smooth function of bargaining and negotiation machinery.

What's What In Advertising

JEAN R. GEMMELL

The 16th annual convention of the National Industrial Advertisers Association is being held in Cleveland, Sept. 21 to 23 when better marketing, more effective advertising and economy of distribution will be discussed by leading industrial, marketing and advertising executives of the United States and Canada in a hope of turning industries efforts into profits.

* * *

D. V. Hicks, formerly advertising manager of Hudson Bay Co., Edmonton has been moved to Calgary to become advertising manager of the company's store in that city. He succeeds Herbert Jack who goes to Montreal. John Keller, formerly assistant advertising manager of the Calgary store will be in charge of advertising in Edmonton.

* * *

The Free Press, a new English-speaking weekly, has been announced in Quebec city. It has also been announced that the Quebec News which was formerly a daily until its amalgamation with the Chronicle-Telegraph has been resumed as a weekly.

* * *

Wahl Pen Co. will commence their fall and winter campaign in magazines commencing with the October issue. Young & Rubicam, Montreal have charge of the account.

* * *

United Motors Service (AC Spark Plug and Packard Cable Division of General Motors) are releasing advertising for heaters in October issues of magazines. Advertising for the account is handled by MacLaren Advertising Agency, Toronto.

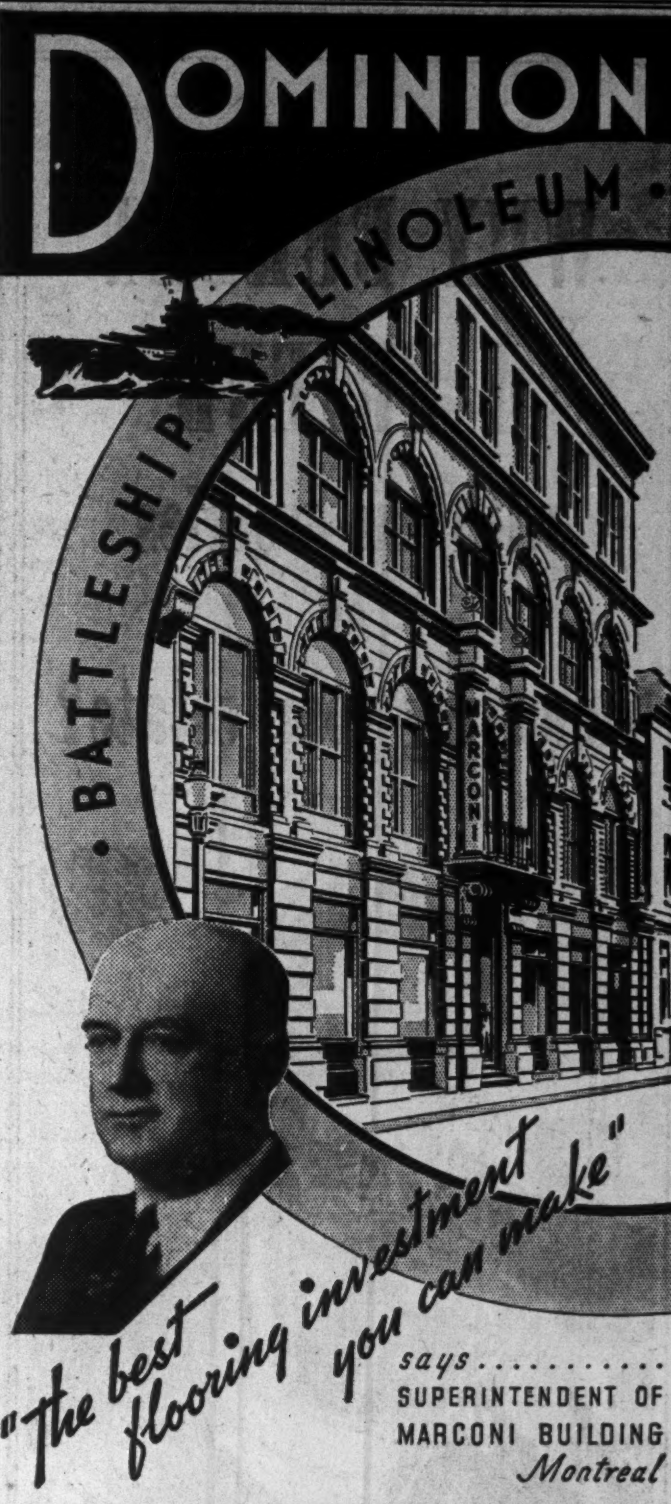
* * *

George Vale, advertising manager of the Trusts and Guarantee Co., Toronto, has been elected president of the Building Owners' and Managers' Association of Ontario.

* * *

J. E. Campeau has been appointed general manager of CKLW, Windsor subsequent to the resignation of Frank Ryan which was announced recently. Mr. Campeau was formerly station manager in charge of operations.

DOMINION



"the best flooring investment you can make"

says . . . .
SUPERINTENDENT OF MARCONI BUILDING
Montreal

The permanence of Dominion Battleship Linoleum, plus its freedom from costly upkeep, make it a wonderful office flooring investment, in the opinion of P. Letourneau, who speaks with the authority of long experience. For these reasons, and because of its smart appearance, quiet and foot-comfort, Dominion Battleship Linoleum was chosen *for the floors of the Marconi Building.* Available in 19 colours and effects, Dominion Battleship Linoleum can be laid with or without border effects or in tile and many other treatments. Ask your architect or flooring contractor about our 5-year guarantee.

DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED - MONTREAL

"How much of your Overhead is Underfoot?"

EXECUTORS MONTREAL TRUST COMPANY TRUSTEES

Montreal Trust COMPANY

61 Yonge St. Toronto

J. F. Hobkirk, Manager

ADMINISTRATORS
TRANSFER AGENTS
REGISTRARS • RECEIVERS

1832 1938

Experience . . .

Rich in experience, equipped with ample resources and world-wide facilities, this century-old institution strongly invites consideration from those seeking a banking connection.

World-wide facilities in every department of banking

The BANK of NOVA SCOTIA
OVER A CENTURY OF BANKING SERVICE

Prestige PLUS PROTECTION

EXPERT
and
EXPERIENCED
Engraving and
Printing of

Bank Notes
Bonds
Debentures
Stock Certificates
Cheques
Drafts
Postage and Revenue Stamps
and other Monetary Documents

● Steel engraving contributes two important qualities to the printing of stocks, bonds, debentures and other monetary documents. The artistic skill of the engraver endows such documents with a distinctive and distinguished appearance that upholds prestige. And, of great importance, a steel-engraved "money symbol" is most difficult to counterfeit.

For your engraving and printing needs, we offer the services of steel engravers whose work is stamped with genius . . . printing on specially prepared and exclusive Safety Paper . . . and step-by-step supervision perfected by more than 100 years of experience.

1-37

CANADIAN BANK NOTE COMPANY
Limited

HEAD OFFICE
and WORKS
OTTAWA

BRANCH OFFICES
TORONTO
MONTREAL

They Ate 17 Million Pounds of Beef

864 CARLOADS This amount of beef was served to legions of workers on hundreds of Crawley & McCracken contracts during the past ten years. And this huge item is beef alone! Other meats totalled 22,000,000 pounds while the eggs used reached the colossal total of forty million—1,433 miles of eggs laid end to end!

Such experience in feeding men away from home, on both big and small jobs, has equipped this firm to handle *any* feeding job satisfactorily and economically. We will be glad to make suggestions regarding your project with a view to helping increase efficiency.

CRAWLEY & McCRACKEN COMPANY LIMITED
MONTREAL

TORONTO
PORT ARTHUR
VAL D'OR

SUDBURY
KENORA
NORANDA

COCHRANE
BAIE COMEAU
LARDER LAKE

CHAPLEAU
NORTH BAY
TIMMINS

CAPREOL
LONDON
TEMISKAMING

WHY BURDEN A FRIEND with the worries of managing your estate?

HAVE you considered how unfair it is to any friend to appoint him executor under your will?

Very few men of ability have the training and experience to manage an estate.

The successful business man whom you would likely choose as your trustee is too busy with his own affairs to discharge extra duties.

It is important, too, to remember that any private executor may be ill or out of town at times when your estate urgently needs attention.

For these and other reasons, you will be prudent to consider the advantages of appointing the National Trust Company as your executor. You can be sure of continuous, efficient administration of your estate—and careful conservation of your assets—by officials with broad experience and sound judgment. You can also be certain of courteous, sympathetic co-operation with your family. And the cost is no more than that allowed by law to a private executor.

Write for our booklet: "Modern Trusteeship"

NATIONAL TRUST COMPANY
LIMITED

TORONTO • HAMILTON • MONTREAL
WINNIPEG • SASKATOON • EDMONTON

Smith, Fairbanks & Co. Rearrange Partnership

MONTREAL. — Smith, Fairbanks & Co., members of the Montreal Stock Exchange and Montreal Curb Market, have advised the Exchange that following the death of the firm's senior partner, Edgar M. Smith, the business will be carried on under the same firm name by the surviving partners, who have formed a partnership for that purpose. Partners in the firm are: F. C. Fairbanks, Alfred Kirby, and J. Stephen Oppe.

Banking Service

1817-1938

BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
General Manager: SIR ALFRED DAVIDSON, K.B.E.

Assets of £123 millions.
Over 860 branches in Australia, New Zealand & Pacific Islands.

London Offices at
29 Threadneedle St., E.C.2.
and at 47 Berkeley Square, W.1.

Agency arrangements with Banks throughout Canada.

Hitler's Colossal Circus

(Continued from page 1)

tect is building for meetings of the Reichsparteitag.

The vast stadiums and halls are being built with an idea on the distant future. "Build them to last a thousand years," Hitler has told his architects. But he does not give his workmen half that many days to finish them. The first stadium, built a few years ago, is as big as the polo grounds in New York with the Maple Leaf Stadium (Toronto) as an annex. It seats 59,000 people. The new Sports Arena will seat 400,000.

The Luitpold Arena, where the party members assemble, holds 150,000 men and 50,000 spectators.

Still larger is the Zeppelin field. Here 250,000 people can stand or march in formation while 100,000 spectators look on.

These magnificent arenas have already been outgrown by the Party Congress. Workmen are busy clearing a new street 300 feet wide and a mile long which will be flanked by such buildings as no Roman emperor ever dared to dream of. At the far end will stand the Marzfeld. It will hold 750,000 men and women in uniform and no one has yet estimated how many more will be able to sit in the grandstand and watch them.

Loud-speakers Everywhere

Modern science has removed the problem of acoustics. There are loud-speakers everywhere. The other morning my wife and I sat in the Congress Hall (a tiny building compared with the others). But there were 19,000 people seated there and everyone heard perfectly every syllable uttered by Der Fuehrer, by Rudolph Hess, his "second-in-command"; by Dr. Walter Funk, the Minister of Economics; by Dr. Dietrich, Reich press chief, and other speakers.

A meeting in the Congress Hall (as for that matter any meeting at this party gathering), is a spectacle that once seen can never be forgotten. Two hours before the meeting is to open the seats are almost full, although admission is necessarily by ticket only. There are hundreds of brilliant banners. The walls, for the improvement of acoustics, are draped with sheer linen, embroidered in gold ribbon. A vast swastika behind the platform is lighted by a spotlight. The Nuremberg orchestra, a famous institution, plays an overture. Trumpets sound. A clear-cut voice barks a word or two over the loud-speaking system. The audience rises and to a stirring march the leaders of the party enter the hall. They do not come in by a door at the back of the platform. They enter by a door at the back of the hall and march 500 feet while the audience cheers wildly.

They take their places on the platform. Hitler is flanked by Hess, Goering, Goebbels. Henlein is with him. There are staff officers weighted down with medals and braid, but only a few of them are present. This is not a military spectacle but a political spectacle. Most of the uniforms are brown, which pleases the audience, for more than half of the men in the hall are wearing their brown shirts with swastika armbands. The S. S. men in black uniform form a guard of honor and they man the doors. But the Congress seems to be chiefly for the S. A. men who made the revolution and saw it through to the Third Reich of Adolf Hitler.

Arms Tire in Salute

When Hitler and the party leaders have taken their places, the banners come in, hundreds of them, each one borne by a chosen member of the local party organization whose name is on the flag. The banners are of silvered metal and red silk. As they pass, each person in the hall holds his arm outstretched in the Nazi salute. It takes twenty minutes or more for all of them to pass. Some of the arms tire but not the arm of Der Fuehrer who stands motionless, arm outstretched for the whole of the time.

Then come the deliberations of the Congress. There is no debate, no questioning from the floor, just a group of lengthy, prepared speeches, which tell of the glorious achievements of Germany, which extol the joy of work, which tell of the evil machinations of Germany's enemies, which hail the victory over the Jews and the Bolshevists, which compare crimeless Germany with gangster-ridden America, which tell of the miracles performed by a nation that keeps the economic and financial wheels turning without gold and without foreign exchange.

Some of the speeches are satirical and they bring a laugh. Some are filled with words of achievement and they bring cheers. Some of them are filled with statistics and they bring much shuffling of feet. Even a loyal Nazi can be bored with too many figures.

The Real Parliament

This is the real Parliament of the German people. Here decrees are announced and plans are made. There is no parliamentary democracy in the proceedings although the word "democracy" is often mentioned and is a sure-fire gag to bring a laugh from the 19,000 people present.

When the speeches are finished the banners march out again followed by the leaders. Then the doors are opened. The proceedings have taken over three hours but no one has left. No one has been permitted to leave. Some of the audience are tired but no one has had to call upon one of the trim nursing sisters provided for the occasion by the Deutsches Frauenwerk, the organized labor service of the women.

The other events are similarly marshalled with trumpeting music, colorful brilliance and magnificent pomp. Always the leaders make their entry with that circumstantial dignity which impresses the German mind.

In the arenas there is room to spread out. The circus stuff reaches its climax in the Luitpold Arena where four steel masts, each 100 feet high, carry banners 75 feet long and 18 feet wide, flanked by enormous bronze eagles and providing as setting fit for that handful of men who hold in their hands supreme power over the lives and work and daily habits of a nation of 65,000,000 people.

What does all this pomp and display signify? I have promised myself that I shall not express any judgments at all until I have seen more sides of this many-faceted German picture, until I have talked to the German leaders and more of the foreign observers in Germany, who see the picture objectively. So I am content to be impressed, and to think but not speak while still in Germany.

Cost of Congress

What does a Party Congress cost? Only a few men can know, for governmental expenses are not revealed in Germany. There is no "budget" and there is no statement of the public debt. Someone mentioned to me the figure of $5,000,000, but that could do little more than pay for decorations, for literature, for the expenses of distinguished visitors. There are millions of dollars invested in buildings. More millions are spent by private citizens coming to the Congress. All of these thousands of uniformed men and women pay their own expenses. Some of the poorer ones have been aided by friends with a mark or two to spare. They spend their money cautiously for postcards, especially stamped for the great occasion, for beer and wurst and dark brot without butter. They drink coffee all day long and the cafés are crowded from 5 in the morning until midnight.

Crowds Enormous

The crowds in the street are enormous. All motor cars except army trucks, special buses and taxicabs have been banned for the duration of the Congress and so people move quickly. Whenever Der Fuehrer moves about the streets black-uniformed troopers line every foot of the distance no matter how many miles he has to travel. No one can cross the street for an hour or so before Der Fuehrer's car passes, but bridges have been built overhead from one sidewalk to another. The bridges have high solid walls of heavy wood and no person could possibly use one as a vantage point for, well, such a thing as happened to Jugoslavia's Alexander at Marseilles.

Nuremberg has 450,000 residents, but there are at least 800,000 extra people, probably half of them in uniform, during the Party Congress. They are housed in tents, camps, homes, sleeping cars and a few hundred hotel rooms. Not all are Germans. There are a few noble lords from England and other invited guests from English-speaking countries. Among all these 800,000 people my wife and I were unable to find any other Canadians. But there are many Americans, most of them loyal Nazi leaders, but also including one senator from Washington and his wife.

Guests From Other Dictatorships

These, however, are merely the guests whose presence has no political significance. Much more important to the Party are the guests from other dictatorships of the Right. We are billeted in an enormous bedroom in a tiny suburban town. In the same hotel is a large party of Italian Blackshirt youths. There are 22 Arab boys in sage-green uniforms. A few years ago we watched King Feisal of Iraq driving through the streets of London in the gilded coach of King George V. Now the young Iraq boys are guests of Hitler's Nazi storm troopers.

While we were having lunch the other day the Arab youths and their brownshirt hosts marched in and sat down at a long table beside us. Each Arab had a spruce young Nazi to look after him. The leader of the Nazis made a speech, replete with references to the Vaterland and the common heritage of the two races. One thought back to the Kaiser's dream of a Berlin-to-Bagdad railway.

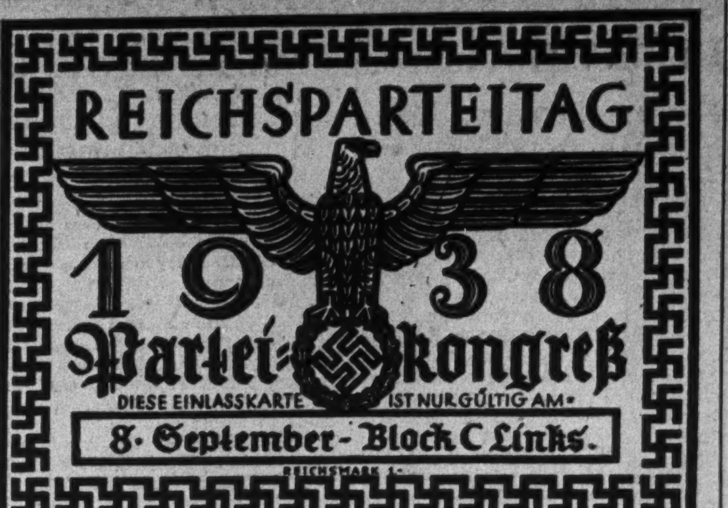
In the inn are Spanish youth—in the uniforms of General Franco with white berets. There are Bulgarians, and Rumanians.

Quartered in Nuremberg are many Japanese—uniformed youths and staff officers with impressive shoulder tabs. All wear spectacles, as all Japanese seem to do.

No Speed Limit

Through the streets of Nuremberg, staff cars—army and Nazi—rush at prodigious speed. There is no speed limit in Germany, which fact seems to be strictly observed by everyone behind a wheel. Were there not thousands of Schuft-Staffel men lining the roadways the country visitors would surely be mowed down by the hundred. Nearly every car has some foreign staff officer or two in it. There may be British and French officers here. If so I have not seen them. All I have seen are Italians, Japanese, Spanish and Balkan of several varieties. The flags of these other totalitarian states are intertwined with the Nazi pennons. I leaned out of my window this morning to take a picture of the village square with its crowd of curious children. (The adult onlookers have gone. They come only at night. Everyone works in Germany and only the smallest children have time to gape.) Hanging in front of my window was the flag of Fascist Italy.

Each year the Party Congress has something new to celebrate. One year it was the rearmament of Germany, representing to the people the return of their land to equality among the nations. Another year it was the reoccupation of the Rhineland. Another time it was the inauguration of the Four-Year plan that was to make Germany self-sufficient in basic materials and that is succeeding to a considerable degree but at a great cost.



REICHSPARTEITAG
1938
Partei-Kongreß
DIESE EINLASSKARTE IST NUR GÜLTIG AM·
8· September- Block C Links.
REICHSMARK 1.-

Mr. Chalmers's ticket of admission to the Nazi party congress meeting at Nuremberg, Sept. 8.

This year it is the return of Austria and the first enlargement of the boundaries of Gross Deutchland.

The Next Celebration?

What will it be next year? He who would attempt to answer that question must first of all know what is going on in the mind of that brooding figure who is the object of all these adulatory parades and spectacles, who embodies in his person all that Nazi Germany stands for, whose picture adorns every wall, whose name is uttered by every German a dozen or a hundred times every day as he greets his neighbor with the casual uplifting of the right arm that is the remnant of the "Heil Hitler" salute.

The Party Congress was not always a mass-meeting of the nation. Once the meeting was a gathering of only a single group from among all the people, a group impatient of the disillusionments of the post-war effort at Democracy. They were the unpopular Nazis, many of whose leaders spent years or months in prisons, because they defied the authorities. Now they have become the nation. It is as though the Conservatives were in power in Canada and the annual Conservative party convention took the place of the meetings of Parliament and all the Liberals, the C. C. F.'ers, the Social Crediters, etc., either became Conservatives or found themselves traitors to the state and on their way to Kapuskasing or Kingston.

Around the great room of Nuremberg's townhall runs a motto:

"One man's speech is only half a speech. One should hear both sides."

Only One Side

At the great Party Congress there is only one side to be heard. There are many speakers but all speak the words of the one man to whom the 800,000 sing their "Sieg Heil."

This is as Germany wants it, believing intensely that Liberalism is a snare, Democracy is a delusion. Yesterday I heard Dr. Dietrich, the Reich press chief, speak. He is the man who has said that "National Socialism, in overcoming individual ways of thinking, has overcome the intellectual fault of a whole epoch."

The German leaders are at great pains to explain to the foreign visitor that he must not look upon their forms of government and their way of living through liberal eyes for assuredly he will not understand what they are doing. In Germany all thought is communal, or if it is not communal it is left unsaid.

The newspapers publish the Party speeches with many photographs. The Germans are the most brilliant photographers in the world and they use their cameras as instruments of communal expression, as weapons of propaganda in a way that no one in any democratic state has ever learned to use them.

No Reflection of Public Opinion

There is no attempt in the papers to reflect what we would call "public opinion." There can be no public opinion in the "hovering barometer of the moods of bad-tempered publicists," they tell you. By that they mean the Toronto Star, the Winnipeg Free Press, The Financial Post and all other independent papers. Rather it must be found in the will of the people. The Nazis proclaim that they find out what is the will of the people and then proclaim it in identical words in every paper and in every speech.

If a Canadian finds it difficult to understand that, well that is because he is so foolish and shortsighted as to believe that there can be two opinions on any subject, two honestly-held opinions that might be debated in public.

Nuremberg stands for the complete unification of opinion and of power, which is in turn vested in one man, the man who sat in a prison cell and dreamed of a state with but a single race, a single set of ideas, a single set of leaders and a single voice.

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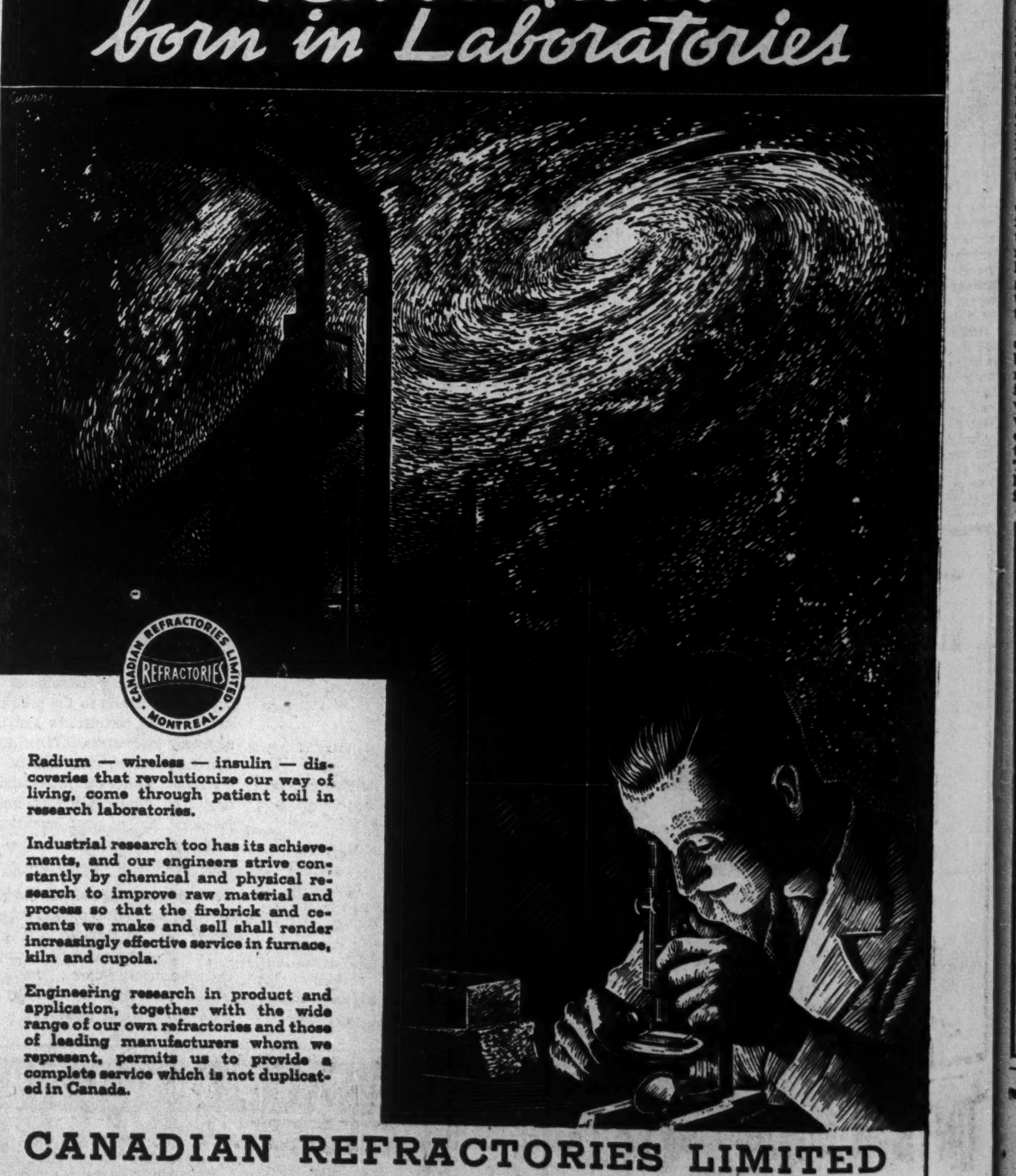
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Alberta Bonds

What is your opinion of Province of Alberta bonds as an investment?

Province of Alberta bonds cannot be regarded as safe investments. As you know, the province is paying only 50% of the contractual interest rate, and there is no indication that payments will be restored to their former basis.

What the ultimate outcome of the Alberta situation will be is difficult to say. This will probably depend upon the outcome of the next provincial election. If the Social Credit Government is defeated then bondholders may secure a better deal, but it appears some adjustment will be necessary since cash resources of the province have been depleted, and no provision has been made to meet past due and maturing obligations.

There is, of course, the possibility the province will benefit from any adjustment of Dominion-Provincial financial relations made on the recommendation of the Rowell Commission.

U. S. Dividend Tax

Does the U. S. Government require Canadian investors to pay a tax on dividends received?

The United States Government requires that companies in that country paying dividends to the residents of Canada deduct 5%, as a withholding tax, which is turned over to the Government. By a reciprocal agreement instituted over a year ago, the Canadian and United States Governments each require that deductions of 5% be made by corporations in their respective countries when dividends or interest are being paid to residents of the other country. It is of some interest to note that to all other countries except Canada the United States tax of this nature is 10%.

Lower St. Lawrence

Can you give me a report on the bonds of Lower St. Lawrence Power Co.? Do you consider them a sound investment?

Lower St. Lawrence Power earns its bond interest by a good margin. In 1937 the company earned its fixed charges 2.43 times before depreciation, compared with 1.96 times in 1936. After depreciation it earned its fixed charges 1.64 times in 1937, and 1.29 times in 1936. The equity behind each $1,000 first mortgage bond is $1,647. In the current year there has been a further improvement in earnings. In the six months ended June 30, bond interest was earned 1.68 times after depreciation, compared with 1.41 times in the same period of 1937.

As an investment the company's bonds do not rank as high as many other utility issues, but they would be suitable for a diversified investment portfolio.

Hiram Walker Yield

I notice that Hiram Walker-Gooderham & Worts stock gives a high yield. Can you account for this?

At current prices of around $42 a share, the common stock of Hiram Walker-Gooderham & Worts is yielding slightly over 9%. This yield is unusual in a stock where earnings have been consistently above the dividend requirements and the company appears to be making good progress. It is apparently true, however, that stocks of liquor and brewing companies regularly sell at a higher yield basis than do those of many other industrial concerns.

There appears to be a prejudice on the part of a large part of the investing public against stocks of this nature. It should also be remembered that these companies have always been considered fair game for heavy taxation and that they are subject to stringent regulation of their business.

Perhaps more important in this case are changes which appear to be taking place in the liquor business in the United States. Following the repeal of prohibition there was a period of rapid expansion in which the leading Canadian distillers had a good start by reason of their large stocks of mature liquors. This advantage is becoming less, however, and stocks of liquors nearing maturity have been built up in the United States which are at present somewhat of a threat to the price structure of the industry.

It appears that the period of rapid growth in the United States, where by far the larger proportion of Walker's business is carried on, has ended. From now on, the volume of business is likely to be more stable and competition more severe. It is thought, however, that the company will be able to maintain its position and that it should continue to show good earnings.

Dominion Reindeer

Are the shares of Dominion Reindeer Co. of any value?

The Deputy Registrar of Companies for British Columbia has informed The Financial Post that the Dominion Reindeer Products Co. was incorporated in 1930 and changed its name to Dominion Products Company in July, 1931. It was struck from the British Columbia registry of the companies in September, 1935, because of failure to file returns on its affairs for some time. The company is, therefore, dissolved and your shares are of no value.

General Steel Wares

I should like a report on the common stock of General Steel Wares. Do you consider it a good investment?

Common stock of General Steel Wares must be regarded as a speculative rather than an investment security. Earnings of this company fluctuate widely, and in the years 1931 to 1936 inclusive no earnings were available for dividends on the common stock. In 1937 the company earned $1.20 a share on the common stock.

Sales for the first eight months of 1938 were below the same period last year. The decline, however, took place during the early months of the year. In recent months sales have increased. Should the present trend continue, sales for the entire 12 months should be at least equal to those in 1937.

As charges ahead of the common stock the company has $6.5 millions of first mortgage bonds, and $4.5 millions of 7% preferred stock. Dividends on the preferred stock are cumulative from May 1, 1938. The company has never paid dividends on its common stock. Arrears of dividends accumulated on the preferred during the depression but these were eliminated by a capital revision last year.

Point Grey Bonds

Would you consider Point Grey debentures worth holding? What is the connection between this municipality and Vancouver?

A number of years ago the municipality of Point Grey was taken over by the city of Vancouver. There was no change made in the funded debt of Point Grey. Vancouver has assumed all obligations in connection with this municipality. Interest payments on the stock are made by Vancouver, and, we are informed, the debentures should rank equally with those of Vancouver itself. Quotations in Toronto on the Point Grey bonds are on the same basis as for those of Vancouver. Probably not much could be gained by selling these debentures at present prices. The yield is a recognition that they do not rank among the highest grade of Canadian municipal bonds but there does not seem much danger that Vancouver will be unable to meet interest charges, at least for some time to come. There was considerable talk a year or so ago about a refunding plan for the city but recently nothing much has been heard of it.

Brazilian Traction

Are there any reasons why Brazilian Traction stock would not be a good speculative buy?

Brazilian Traction stock has been adversely affected by several factors. In recent years this stock has shown a tendency to fluctuate directly with changes in the exchange value of the Brazilian milreis. When the milreis is high in terms of Canadian or United States dollars then Brazilian Traction stock is likely to rise. For a period of last year the tendency for the milreis was to drop but in recent months it has been recovering somewhat.

The fluctuations of the exchange rate are directly dependent on the position of the foreign trade of Brazil. For years there has been a shortage of foreign exchange in that country and the Government has exercised strict control over what supply there is.

Brazilian Traction has been able to maintain its scale of operations on a satisfactory basis. For the seven months ended July 31 of this year net earnings have shown a reduction of 5.43% over a year ago. In 1937 the company's net profits were equivalent to 88c. a share on its ordinary stock, compared with 74c. in 1935. Although final results will necessarily depend on the exchange fluctuations in the meantime, it begins to look doubtful if 1938 earnings will quite reach last year's figure. Brazilian Traction has not yet been able to obtain definite rulings regarding its rate from the Brazilian Government. It is operating under a temporary schedule.

The company's stock has a good deal of speculative interest and ordinarily attracts a large following in the Canadian markets. It is, however, subject to the added risks that always face a company operating in foreign countries.

Montreal Telegraph

I am considering the purchase of some common shares of Montreal Telegraph. What is your opinion of this stock as an investment?

Montreal Telegraph common stock is regarded as a sound investment. The company pays 8% per annum, less Canadian Government income tax, and earnings have always been sufficient to meet this payment. Dividends are guaranteed by Western Union Telegraph Co. The company operates, under a perpetual franchise, approximately 22,000 miles of telegraph lines. These lines are operated and maintained by the Great Northwestern Telegraph Co. of Canada, which is controlled by the Canadian Government, and operated under the name of Canadian National Telegraphs. The annual payment from Great Northwestern Telegraph Co. is $165,000, which is more than sufficient to pay the 8% dividend and expenses of the company.

Iron and Steel Output Higher

Value of Production Last Year Highest Since 1929

From Our Own Correspondent

MONTREAL.—Value of Canada's production of iron and steel and their manufactures in 1937 was higher than in any year since 1929, according to preliminary report by the Dominion Bureau of Statistics. The value at factory prices was $623,359,091, an increase of 37.5% over the previous year.

Substantial increases were recorded for each of the individual industries with the exception of the miscellaneous group. Value of production by industries follows:

Primary iron and steel	$72,280,669
Castings & forgings	42,012,640
Heating apparatus	16,332,764
Farm implements	18,961,394
Boilers, engines	11,626,892
Machinery	58,797,002
Automobiles	134,810,280
Auto. parts	45,570,985
Bicycles	1,880,789
Aircraft	1,467,426
Shipbuilding	8,832,060
Railway equipment	93,854,556
Wire & wire goods	26,281,400
Sheet metal products	47,534,344
Hardware, tools	24,098,632
Bridges, structural steel	15,213,197
Miscellaneous	3,804,041

Last year there were 1,353 factories in the iron and steel group. These establishments, representing capital amounting to $663,637,909, gave employment to 127,336 workers who were paid $164,057,575 in salaries and wages during the year.

Canada's imports of iron and steel products in 1937 were valued at $211,002,837, an increase of 56% over the previous year. Purchases from United States amounted to $173,864,866 or 82% of the total. Imports from the United Kingdom, valued at $29,794,323, made up 14%.

Exports and re-exports amounted to $68,249,974, an increase of 26% over 1936.

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Rowell Commission No. 5

May Shift Relief Costs

Dominion Will Probably Be Asked to Assume Entire Cost of Relief

By NORMAN A. WHITE
Staff Writer, The Financial Post

Expectations are the Rowell Commission will recommend the Dominion Government assume a larger share, if not the entire cost, of unemployment relief. Just how it will resolve the vexed problem of administrating the responsibility is not yet clear.

It is perhaps early to make a definite forecast as reports of the Commission's experts have yet to be reviewed. It is probable, however, the experts will favor greater centralization of such services as relief and an increase in the powers of the national government.

The Commission's recommendation as regards relief will be of major importance. In view of the opposition of certain provinces to amending the B. N. A. Act, assumption of relief by the Dominion is perhaps the one way by which an adjustment can be achieved in Dominion-Provincial financial relations without a family quarrel.

Relief is Main Problem

Without doubt, responsibility for relief is the most important factor affecting Dominion-Provincial financial relations. If there had been no relief, the present crisis in Dominion-Provincial relations would not have developed. There would not have been any necessity for a Rowell Commission.

Relief is the main reason for the fiscal difficulties of the four western provinces. It has been the primary cause of the mounting burden of municipal taxation. It has been responsible for the default of more than one municipality.

If Canada could do away with unemployment relief entirely, the present Dominion-Provincial financial problem would be largely solved. However, it is not as easy as that. Canada's relief bill continues large despite substantial recovery in business from the low of the depression. Furthermore, indications are relief costs will continue large for many years to come.

Three Alternatives

In considering the relief problem there are three alternatives open to the Commission. It can recommend maintenance of the present system of divided authority between the Dominion, provinces and municipalities. It can suggest the entire responsibility be placed upon the provinces and municipalities, which, in fact, is where the responsibility lies under present day interpretation of the B. N. A. Act. Lastly, it can suggest the Dominion Government assume the entire burden.

In this regard the fiscal position of the provinces and municipalities is an important consideration. Municipal taxation in Canada is too high and must be reduced. The four western provinces are faced with financial difficulties, being able to finance relief only by borrowing from the Dominion. If this situation is to be corrected there will have to be some change in the method of financing relief costs.

It might, of course, be possible for the provinces to assume the entire responsibility if their taxation powers were increased. Such a course would only increase duplication of taxation, one of the evils from which we are attempting to escape.

In this connection, there is another factor to consider. Seven of the nine provinces have pleaded for a more equitable distribution of wealth as between provinces. Perhaps it would be better to say they desire a larger share of the benefits of Confederation. One way to achieve such an objective is for the Dominion to assume relief costs. An increase in provincial taxation powers would defeat this object as the wealthiest provinces would benefit most.

Fiscal Need is Reason

A great variety of arguments have been used to support the contention that the Dominion should assume the entire cost of relief. Unemployment has been pictured as a matter of national concern, and properly so. Statistics have been presented to show the growth of social service costs borne by the provinces and municipalities. In the final analysis, however, the entire question centres around "fiscal need."

Some of the provinces, faced with fiscal difficulties and able to borrow only from the Dominion, see in the shifting of relief an opportunity to restore their finances to a sound basis. Others desire to get rid of it so they can expand services such as education. Municipalities want the burden lifted so their fiscal problems will be eased. Property owners want it shifted so that real estate taxes may be reduced.

Attitude of Provinces

Because of their peculiar financial problems it is not surprising that the four western provinces favor assumption of relief by the Dominion Government. In eastern Canada, opinion is somewhat divided. Prince Edward Island would have the Dominion assume responsibility for relief. Nova Scotia is doubtful as to the efficiency of federal administration of relief, but is not opposed to Dominion assumption of the responsibility. New Brunswick, stronghold of provincial rights, would have the Dominion pay a larger share of the cost and the province administer the service.

Ontario, in its official submission to the Commission, suggested it would assume the entire cost of relief if given priority over the Dominion in levying income taxes. But even Premier Mitchell Hepburn realizes this is a provincial rather than national solution and that it will not be acceptable. Only recently, in spite of what he had said to the Rowell Commission, he agreed with Hon. R. J. Manion, new Conservative leader, that the cost of relief should be assumed by the Dominion. In other words, Premier Hepburn will be glad to get rid of the burden if he can do so without losing any revenue source such as succession duties.

Quebec refused to recognize the Rowell Commission and does not want the B. N. A. Act amended. Under the B. N. A. Act, relief is a provincial responsibility, but Quebec would be glad to hand over the burden to the Dominion. Members of Premier Maurice Duplessis' Cabinet have on several occasions charged the Dominion with not paying a fair share of Quebec's relief costs. They view relief as a national matter.

Dominion Finances

It is an easy matter to suggest the Dominion assume the entire cost of relief, but where is it to obtain the necessary funds? The Dominion Government has its own fiscal problem, its budget still being unbalanced.

This aspect of the situation is probably giving the Rowell Commission considerable worry for additional relief is not the only burden the Dominion may have to assume.

On several occasions the Commission tried to obtain constructive suggestions from witnesses, but the latter avoided the issue. Few were courageous enough to bluntly suggest the Dominion would have to increase taxes, but the inference was there in that the wide taxation powers of the national government were stressed.

Some of the provinces are willing to give the Dominion the exclusive right to collect income taxes and succession duties on condition Ottawa helps to finance certain other services in addition to assuming relief. Such action does not appear feasible in view of the opposition of Ontario, Quebec and British Columbia, the provinces in which collection from these sources are largest.

Cost of Relief

No figures are available as to total relief costs in the year ended March 31 last, but $135 millions is probably a conservative estimate. For the year ended March 31, 1937, total relief costs are estimated at over $150 millions.

The outlay by the Dominion Government in 1937-38 was $68 millions, compared with $78 millions in 1936-37. Thus, had relief been a responsibility of the Dominion Government alone, deficits in the past two years would have been substantially higher. In fact, they would have totalled $84 millions and $150 millions, compared with the actual figures of $17 millions and $78 millions respectively.

For the eight years ended March 31 last, total relief costs in Canada—Dominion, provincial and municipal—are estimated at about $920 millions. Of this amount, the Dominion Government provided about $400 millions. If the Dominion had assumed the entire cost of relief at the outset of the depression the federal debt would probably be $500 millions higher than it is today.

One probable effect of centralizing relief which should not be overlooked is the development of a definite unemployment or employment policy. The experience of the past 10 years has been most unsatisfactory. Because of the division of authority there has been no policy, but merely a make-shift arrangement which has resulted in continual bickering between the provinces and the Dominion.

TRUE STORY No. 3

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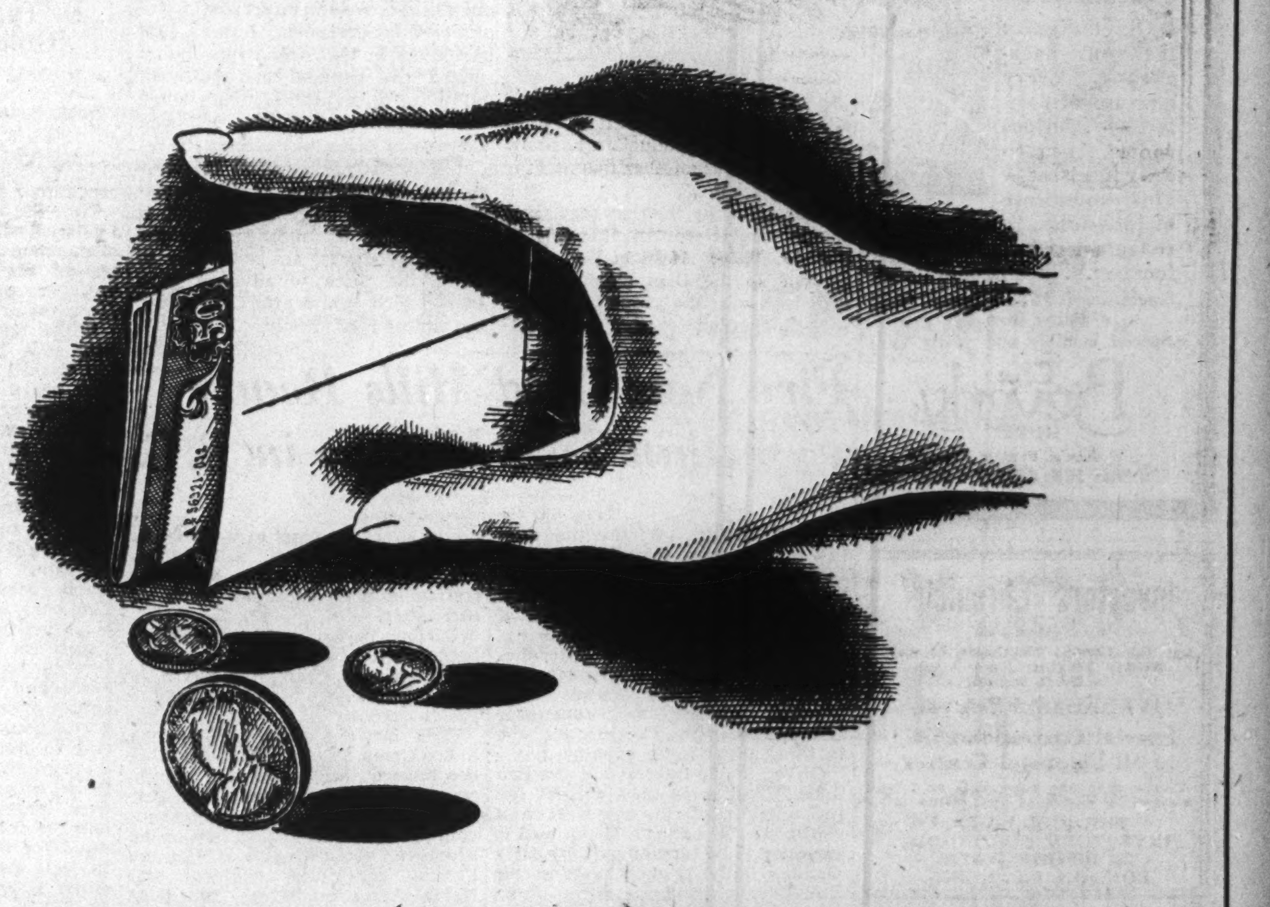

WHO ARE YOUR COMPETITORS?

YOUR competitors are everyone else who is after the consumer's dollar. The baker competes with the alarm clock maker, and the razor blade manufacturer. The confectioner competes with the cosmetic manufacturer and the landlord. The butcher, the baker, the candle-stick maker are all in the running for their share of the pay envelope *while it lasts*—for the more Mrs. Jones spends on *this*, the less she has left for *that*.

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Wood Cadillac Issues Report

Annual report of Wood Cadillac Mines, for the year ended June 30, 1938, shows ore shoots opened up on the 250- and 375-ft. levels. Exploration on the 500-ft. level shows some erratic values but the material can not yet be classified as ore.

At the 250-ft. level, 393 ft. of ore has been opened up in four shoots with an average width of 5 ft. and carrying values of over $9 per ton.

At the 375-ft. level, an ore shoot has so far been opened up for a length of 165 ft., averaging $13 to $15 per ton across an average width of from 5 to 8 ft. The face is stated to be good.

The company's balance sheet as at June 30, 1938, showed current assets amounting to $44,617 including cash of $34,257 and supplies of $9,341. Current liabilities, consisting of accounts payable and payroll, amounted to $10,535.

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Week in Mining

Copper Prices Firm Market More Active

World Stocks Reduced in August — Lead and Zinc Also Strong — Canada's Gold Production Sets Record

War clouds continued to be the dominating influence in the market for mining stocks during the week

But as share values rose and fell base metals pursued a more consistent trend and gradually worked upward

The war fears may have been responsible or it may just have been the definite drop in world stocks of refined copper, but at any rate buying of copper was much more active and the price of domestic rose in New York to 10.37½ cents. Copper for export sold at 10.55 to 10.60. And most of the buying was of foreign origin. Lead and zinc also were higher.

World stocks of refined copper which a few months ago were pressing down prices, dropped 28,672 tons in August to 494,524 tons. American stocks dropped 24,779 tons to 315,191 tons, definitely encouraging figures.

Cartel sales of copper to Britain and Germany were said to be considerably heavier.

Gold Production

Canadian gold production set a new record in July when it passed the 400,000-ounce mark. The exact figures given out were 420,778 oz. against 347,474 in July, 1937, and 30,085 oz. above the June total.

The Province of Ontario led in the gain, her output being 21,698 oz. ahead of the previous month, while the gold mines of Quebec produced 7,122 oz. more than in June and British Columbia's output was up by 4,552 oz. Canada's gold production for the first seven months of 1938 totalled over 2.6 million oz.

World production for the same period was 17,830,000 oz. The output of South Africa for the period was 6.9 million oz. and for the United States 2.6 million. Figures for Russia were not given.

* * *

Uchi's Financing

Financing of the mill at Uchi Gold Mines by means of a bond issue as announced this week draws attention to the progress that has been made not only by Uchi but by the mining industry generally.

Not that the case of Uchi is unique. Other mines have had part of their later financial requirements raised this way as, for instance, Preston East Dome, and Lomaque Mines in recent years. But the procedure is not usual. Financing of this type can be carried out only when a mine has ample reserves of proved ore and questions regarding management, etc., can be answered satisfactorily.

Even this would not make bond financing of a mine possible if the mining industry had not become well established in public confidence.

As far as Uchi Gold is concerned the fact that the final stage in bringing it into production has now been reached is another triumph for J. E. Hammell.

Undeterred by the fact that some of the largest mining interests in Canada, after investigation, had thrown up the Uchi claims, Hammell took over the property and, by well-planned exploration and development has brought it to the stage where a mill will now be built.

* * *

Masonic Lodge at Coppermine

The visit of J. B. Tyrrell to the Yellowknife mining area was not all taken up with a study of greywacke and quartz. Far from it. Dr. Tyrrell is a man of wide interests. His prowess as a revolver shot in his younger days was well known. He has recently gained considerable fame as a fruit farmer. But on his trip north he added further to his achievements.

When flying from Edmonton to Great Bear Lake with Pilot "Wop" May of Canadian Airways he was informed that by dispensation of the Master at Edmonton a special lodge meeting of the Masonic Order was to be held at the mouth of the Coppermine River for the purpose of initiating Emile Walli, manager of Eldorado Gold Mines. Dr. Tyrrell acted as chaplain at the meeting.

The lodge gathering at Coppermine is believed to be the farthest north Masonic gathering which has ever taken place in Canada.

* * *

Hoarding of Platinum

One result of the recent hoarding of precious metals in Europe has been a rise in the price of platinum.

In London there has been considerable fluctuation and in a recent issue "The Economist" of London offers a warning as to what might happen to unwise speculators. Although International Nickel, the world's largest producer of platinum, it says, pursues a policy designed to sustain the vast increase in the industrial demand for the metal, increases seen recently are not without precedent. Late in 1936 and early in 1937, when speculators forced the demand and price of platinum to an unreasonable level, the company for a time followed the rise in price, but ultimately reduced it sharply at short intervals to the discomfiture of the short-sighted bulls. "The Economist" is therefore of the opinion that the leading producers are not likely to allow the price to advance to a level which would affect industrial consumption adversely.

Five New Gold Mills Ready Within Two Months in B.C.

From Our Own Correspondent

VANCOUVER.—Within the next two months more than 400 tons will be added to the capacity of British Columbia's gold mills. This new tonnage will represent the potential production of five new plants expected to be in running order between now and mid-November.

Of these five mills two are in the Zeballos district on Vancouver Island; two in the Cariboo and one in the Sheep Creek country.

Of particular interest are the two Zeballos mills, as they will be the first to operate in the new west coast gold camp. Privateer's 75-ton mill is expected to be turning over by early October, only 17 months from the time development was begun on an extensive scale. From the first month, Privateer has been a producer, the crude ore taken out having paid most of the expenses of operation.

A. B. Trites' Goldfield mill, the other Zeballos plant, will follow Privateer in about a month. This, too, will have a capacity of 75 tons. In addition to these two mills, a smaller plant was recently put in commission by the Rey Oro Gold Mines in the Zeballos district. Although milling plans will not be made until ore has been blocked out, Central Zeballos is expected to be the fourth Zeballos property to erect a mill.

Quesnelle Quartz is one of the Cariboo companies establishing a mill, a 25-ton unit with sufficient power available for double that production now being installed in expectation of turning over early in October. The other is Cariboo Hudson, which is expected to be in operation during the first week of November.

Cariboo Hudson's 100-ton mill has been delayed in construction by difficult transport conditions, but more than 100 men have been hurrying the job to completion.

Gold Belt's 150-ton mill in the Sheep Creek district will be grinding ore toward the end of this month, according to present plans. Gold Belt promises to be one of the important gold producers in that section of the province. According to H. Grattan Lynch, consulting engineer for North American Mines, the Gold Belt property has nearly 83,000 tons of ore containing 50,165 ounces of gold, in sight in midsummer, with a probable addition of 25,000 tons by the first of this month.

Chromium Plans Capital Increase

Authorization Sought to Issue $1,250,000 Mortgage Bonds

Shareholders of Chromium Mining & Smelting Corporation will be asked to approve an increase in authorized capital from 3 million to 4 million shares at a special meeting called for Sept. 28 in Hamilton.

Permission is also sought for creation of $1,500,000 principal amount of mortgage bonds of which it is proposed to issue $1,250,000.

In his remarks to shareholders, Leo. H. Timmins, president, states in part: "It is at this time premature to announce our financing and construction programme as the matter will receive its final consideration at the meeting to be held. We urge the shareholders to follow the developments of the next few weeks closely, as being important to the company and themselves."

Board of directors is to be increased from seven to nine and an executive committee is to be appointed to act for directors.

Balance sheet as at Aug. 31, 1937, shows current assets totalling $497,116 which included cash of $17,557, material and supplies amounting to $335,103 and accounts receivable of $42,530. Current liabilities, comprising accounts payable and accrued expense, totalled $27,732.

Advances by N. A. Timmins Corporation were shown at $611,449 while a liability of $40,000 was shown in connection with a conditional sales agreement. Of the authorized capital of 3,000,000 shares, 2,900,000 shares were outstanding.

Uchi Plans Bond Issue

Bonds Being Offered to Shareholders With Common Bonus

A special meeting of shareholders of Uchi Gold Mines has been called for Sept. 30, in Toronto, to approve creation of a $1,000,000 issue of 6% mortgage bonds to be offered shareholders. The bonds are to be repayable not later than Dec. 31, 1941, and interest is to be paid semi-annually.

Subject to ratification of the issue at the special meeting, the bonds are being offered shareholders at par. Every $100 of bonds purchased will carry a bonus of 25 shares of stock.

If Issue Not Approved

If the issue is not approved by shareholders, remittances are to be returned and if the issue is oversubscribed, bonds will be allotted on a pro rata basis.

Before reaching a decision to offer bonds to shareholders, representations were received from financial interests with a view to the company borrowing $1,000,000 but the terms involved were considered too onerous.

Subscriptions for bonds must be received by Oct. 10, 1938, from shareholders resident in Canada and the United States, and by Oct. 25 from shareholders outside these countries. The proposed issue will be underwritten by John E. Hammell, president, and associates. A sinking fund of 50% of profits is to be set aside for the liquidation of the issue. Officials expect the entire issue will be liquidated within three years.

Proceeds of the bonds are considered sufficient to place the mine in production.

In a report submitted by R. H. Sturgess, manager of the property, and checked by Ben H. Budgeon and A. G. Hattie, it is stated that estimated ore in sight at July 1, 1938, was 500,000 tons of $10 ore or 650,000 tons of $8 to $9 ore.

From work done to date it seems evident that there is a distinct rake to the south which accounts for the fact that the 450 and 600-ft. levels did not show as much ore as the 100 and 300-ft. levels. It is also felt, by Mr. Budgeon and Mr. Hattie, that further drifting to the south will reveal similar conditions to those on the upper levels. Shallow surface drilling also indicated similar conditions.

Mr. Budgeon and Mr. Hattie estimate that, based on 500 tons per day, operating costs will be $4 per ton, including an adequate amount for current development.

Is Optimistic On Yellowknife

J. B. Tyrrell Expects Big Gold Production There

Back from a three weeks trip to Yellowknife Dr. J. B. Tyrrell, dean of Canadian geologists, is confident that the area has excellent prospects of becoming a big gold producing field.

Time did not permit him to make a detailed examination of the geology of the country, nor was that the object of his visit. He saw enough, however, to satisfy him that the prospects are bright.

While nobody really knows yet how good Yellowknife is at depth, Mr. Tyrrell claims that the sight of gold bearing quartz veins running over hundreds of feet justifies a belief that values must persist far below the surface.

Most of the veins so far discovered have been sampled only on the surface. In width they vary from 30 inches to 40 feet. There is considerable fine gold disseminated through the veins. Dr. Tyrrell did not see much coarse gold during his trip. The gold occurs mostly in quartz veins which are fairly conspicuous. There are a great many of these veins to be seen. Most of them run north and south and some copper occurs in them.

The country, he stated, is fairly easy to prospect in one way, having a very light overburden but is hard to get over. Travelling has to be done largely by airplane. A great number of lakes joined by rivers too rapid for a canoe make it difficult to get around for any distance either by land or water.

Celta Development Cuts Five Zones in Drilling

Celta Development & Mining Co. has completed a drill hole to a depth of 1,747 ft. at its property of 650 acres situated under the water of Lake Tiblemont. Five principal zones are stated to have been cut. From 250 to 300 ft. in the hole fractured granodiorite with quartz stringers were cut with 2½ ft. of core running $11.70 per ton in gold. From 725 to 750 ft. in the hole good-looking formation was cut but values did not run more than $1 per ton. The third mineralized section was between 1,525 and 1,550 ft., a two-foot section returning $5.74 per ton.

FRANCOEUR OUTPUT

Output of Francoeur Gold Mines in August is expected to amount to approximately $23,000 from concentrates shipped. The mill handled around 147 tons daily. Recovery of $5.05 per ton is below normal due to absorption in the mill circuit and recovery in September is expected to show an increase. Development at the third levels has intersected the shear zone which is stated to appear similar to that encountered above.

VAL D'OR OFFERS RIGHTS

Val d'Or Mineral Holdings Ltd., is the owner of 500,000 pooled shares of Uchi Gold Mines, and is entitled to subscribe proportionately to the new bond issue of that company. As Val d'Or is without the available funds to purchase these bonds, directors are granting Val d'Or shareholders the first right to take advantage of the offer.

TRAIL SMELTER RECEIPTS

Ore receipts at the Trail smelter of Consolidated Mining and Smelting Co., for the period from Sept. 8 to Sept. 14, totalled 11,650 tons including 1,193 tons of custom ore. This brought receipts for the current year to 445,389 tons of which 36,335 tons was custom ore.

War and Mining Stocks

Many Differences Noted in Situation Since 1914

What effect would war have on the Canadian mining stocks?

People buy mining stocks for two reasons: to make a profit by selling at a higher price; to draw dividends from them as an investment.

Looking at the mining market today the individual asks, what are the prospects if war should break out?

A glance at the index of mining stocks compiled by the Dominion Bureau of Statistics shows that they are slightly below where they were a year ago. The index number for the week ending September 15 for 24 mining stocks stood at 84.8 compared with 86.7 in 1937.

In the intervening months there has been considerable fluctuation in the prices of the leading shares. Various influences have been at work, among them the possibility of war.

War the Big Market Factor

Labor troubles are either nonexistent or of such small proportions as to cause no anxiety. The gold scare, which a year ago was still a powerful factor, is forgotten. In fact sentiment regarding gold has favored an increase in the price rather than a reduction. Developments on various properties have been encouraging. Trade and industry have shown signs of recovery, pointing to better prices and better demands for base metals. The war scare is the important adverse factor.

In attempting to appraise the result of a world conflict some lessons can be learned from the past, provided we do not lose sight of the changed conditions.

Output Compared

Canada's minerals today hold a much more prominent place in both Canadian and world economy than they did in 1914.

In 1913 Canada produced minerals to the value of $145.6 millions. In 1914, five months of which were in the war period, her total mineral production was valued at $128.8 millions. In 1937 Canada's mineral output was valued at $456.7 millions.

In 1913 Canada's gold production totalled 802,973 ounces, in 1937 4,095,872 ounces.

In 1913 her copper production was 76,976,925 pounds and in 1937 531,041,878 pounds.

In 1913 there was no commercial production of zinc in Canada. In 1937 output was 370,000,000 pounds.

Comparable figures for nickel are 49,676,772 and 224,790,974 pounds.

Twenty-four years ago Canada's gold was not an important item in world output, nor was her copper, but today Canada is battling for second place among the world producers of gold, while in copper production she ranks third.

The position of Canada as a source of supply of base metals is evident from the figures of exports in 1913 and 1937:

Exports of Base Metals

	1913	1937
Copper, lb.	83,664,420	437,567,000
Lead, lb.	305,600	269,886,200
Nickel, lb.	48,168,090	222,770,880
Zinc, lb.	....	340,467,600

Keeping these changes in mind it may be helpful to recall the situation in 1914.

When matters came to a head, stocks on the Montreal and Toronto exchanges broke sharply and panic ruled Exchanges were closed and open trading in the mines was not resumed till March, 1915.

Just before the exchanges were closed, many stocks had suffered heavy declines and there were considerable losses in over-the-counter trading. Those who were forced to turn their securities into money took whatever could be got for them in an unofficial market. But when public sentiment steadied down there was considerable recovery.

The accompanying table shows how shares of Hollinger, Dome and Consolidated Smelters, the leading operations among the listed stocks at that time, acted, both in the months before the war and on the resumption of trading in 1915.

Action of Leading Mines in 1914
How War Affected Stocks

	Hollinger		Dome		Smelters	
	High	Low	High	Low	High	Low
1914:	$	$	$	$	$	$
Jan. ..	17.60	16.85	17.75	14.50	106½	83⅝
Feb. ..	17.05	16.50	17.25	16.90	112½	105½
Mar. ..	16.75	16.00	16.50	11.50	109½	100
Apr. ..	16.35	15.80	11.50	8.25	103⅜	95
May ..	17.25	15.25	10.70	8.35	98	95
June ..	19.25	17.00	9.10	7.45	105	89½
July ..	19.20	18.00	9.20	9.00	90	88
1915:						
Jan. ..	....	....	....	....	...	...
Feb. ..	22.80	22.30	6.15	6.15	...	...
Mar. ..	24.25	22.30	14.00	6.25	102	79½
Apr. ..	24.50	23.50	14.50	12.50	110	97
May ..	27.50	24.10	14.00	13.75	105	98
June ..	26.35	25.50	18.60	10.60	109	101½
July ..	27.25	26.00	24.25	19.15	110½	101

It will be noticed that all three were substantially higher in July, 1915, after almost a year of war, than they were in either June or July of the year before or July preceding.

What was the effect of the war in later years?

It will be recalled that as more and more men volunteered, or in later years were conscripted, the supply of labor for the mines became smaller and smaller.

In the case of the base metal mines this was offset largely by increased prices for their product, but the gold mines, owing to the fixed price of gold, suffered to some extent, especially those where the grade was not so high.

Dome Closed in 1918

In the case of Dome this finally caused a shut down. This was not due altogether to high labor costs, but labor costs were a big factor.

It is rather interesting to read now of how an official of Dome at that time said that if Dome were to attract enough capable miners to her property to operate it, it would mean that McIntyre and Hollinger, her two neighbors in the Porcupine camp, would have to close.

Smelters

In the case of Consolidated Smelters there was a time of unsettled prices for its products for some time. Certain of the mines which shipped ore to Trail smelter were closed down. But gradually, as demand for metals quickened, prices improved, properties were reopened and profits increased.

War Demand Partly Satisfied

For some time past various countries have been laying in supplies of nickel, copper, zinc and other war materials.

The increased demand resulting from a prolonged war would, however, probably be offset in part by a decreased use of the same materials in industry.

In the long run the prosperity of the metal mines definitely depends on peace-time activities.

The outstanding example of this is International Nickel, where, owing to extensive research, the industrial demand has come to be far greater than that for armaments.

In this connection it is interesting to note that a writer in Barron's Weekly says: "No other metal or major commodity has shown the increase in consumption that nickel has during this depression. Nothing shows better than this the ability of nickel to take care of itself, no matter what the industrial situation may be. Apparently about the only thing that might possibly prevent nickel consumption from reaching a new peak in either 1939 or 1940 is a general war in Europe. It is impossible to estimate the consumption of nickel under war conditions. Some of its present consuming industries would be disrupted. But during war there is feverish activity in almost all industrial lines so that other demands for the metal might compensate for curtailment in some present markets."

While a war might have a favorable effect on the mines after the first period of unsettlement, such prosperity would be only temporary. Assurance of peace, on the other hand, with greater stability in trade and industry, would be a favorable factor.

Mining Company Options

Advance Red Lake Gold Mines—Agreement dated June 20 with W. B. McHenry has been terminated.

Arctic Yellowknife Mines—Agreement of April 5 with Industro Mining Investments Ltd., has been terminated.

MacGregor Porcupine Gold Syndicate—By agreement dated Aug. 25, J. N. S. Dixon purchased 300 units for $1,800, payable $300 forthwith and $1,500 within 30 days. Co. organized Oct., 1936; authorized capital 10,000 units, $5 par; issued 4,700 units.

The Trout Creek Gold Mining Co.—Agreement dated May 7, with Garfield Trading Co. Ltd., has been terminated.

Verity Porcupine Gold Mines—On Aug. 31, 1938, Alexander Watt & Co. purchased 10,000 shares at 5c. payable forthwith and received an option on 740,0000 shares; 90,000 shares at 5c. to Dec. 1, with balance at 7½c. to 25c. per share payable by Dec 1, 1939. Company incorporated Feb., 1937; authorized capital 3,000,000 shares with 1,306,850 shares issued.

Wood Cadillac Mines—Payment has been received for 50,000 shares at 20c. in accordance with the underwriting and option agreement dated Aug. 17, 1938. Issued capital is 3,598,300. In addition 300,000 shares remain under option.

Lapa Cadillac Gold Mines—Payment has been received for Sept. 18 installment comprising an underwriting on 32,810 shares at 40 cents under agreement with Sudbury Contact Mines dated Aug. 19. Payment also received for 131,750 shares at 40 cents per share from Sudbury Contact Mines to apply on $100,000 to be made available within 60 days from Aug. 31 under foregoing agreement. Next installment comprises an underwriting on 32,810 shares at 40 cents due Oct. 18, 1938. Issued capital is 3,624,560 shares.

Mining Dividends

	Rate	Sept. 19	%
Anglo-Huronian	10c	3.00	3.3
Beattie Gold	10c	1.10	9.1
Bralorne	60c+40c	8.85	*11.3
Buffalo Ankerite	$1	14.00	7.2
Bulolo Gold	$3	27.00	11.1
Can. Malartic	6c	.75	8
Cariboo Gold	10c+6c	2.10	*7.6
Central Patricia ...	16c+2c	2.20	*8.1
Coniagas	25c	1.30	..
Coniaurum	10c	1.12	..
Cons. Smelters ...	50c+50c	54.00	..
Dome Mines	$2	31.25	6.4
Falconbridge	30c	4.85	6.2
Gunnar Gold	†3c	.57	5.3
Hedley Mascot	12c+4c	1.04	*15.3
Hollinger	65c+45c	13.75	*8
Howey Gold	4c	.23	..
Hudson Bay	75c	27.00	..
Inter. Mining	35c	8.90	..
Int. Nickel, com. ..	$2+25c	48.00	*4.7
Island Mountain	5c	1.20	4.2
Jack Waite	†1½c	.33½	..
Kerr Lake	5c	.51	9.8
Kirkland Lake	8c	1.07	7.5
Kootenay Belle	13c+2c	1.25	..
Lake Shore	$4+$1	48.00	*10.4
Lava Cap M.	8c	.89	..
Little Long Lac	20c	2.80	..
Laguna	†5c	.30	..
Macassa	20c	4.15	4.8
McGillvray Creek	3c	.21	..
McKenzie Red Lake ..	12c	1.05	11.4
McKinley Sec.	5c	.65	7.7
Moneta	3c	1.33	..
Noranda	‡$2	63.00	..
Nipissing	15c	1.65	..
North Empire	50c	8.00	6.2
Oro Plata	†4c	.40	..
Pamour Porc.	‡12c	4.15	..
Paymaster	‡1c	.46	..
Pioneer, B.C.	40c	2.75	14.6
Pickle Crow	40c	4.35	9.2
Placer Develop.	$1.20	13.25	7.9
Premier	12c	2.10	5.7
Reno	10½c	.33½	..
San Antonio	14c	1.10	12.7
Sheep Creek	12c+4c	.85	..
Silbak Prem.	†4c	1.80	..
Siscoe	20c+1c	1.55	*12.7
Sudbury Basin	10c	2.10	..
Sullivan Cons.	5c	.75½	6.6
Sylvanite	20c+5c	2.90	*8.6
Teck-Hughes	40c+5c	4.50	*10
Toburn	8c+4c	1.66	*7.2
Ventures	37½c	4.30	11.4
Wright-Harg.	40c+30c	7.30	*9.6

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erron Gold Output $110,742 in August

From Our Own Correspondent

MONTREAL.—Perron Gold Mines eports a gold production of $110,- 42 in August from 10,400 tons of ore illed.

The company's mill operated 6.19% of possible running time on n average daily tonnage of 331.9 ons.

According to J. P. Norrie, general anager, practically all developent work during August was confined to No. 5 shaft between the 25-ft. level and the surface. In the haft, five new vein sections were encountered on which development work is now being done.

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Making the Mill Decision

Ore Reserves Chief Factor Determining Mill Size — Through Way of Financing

By GORDON M. GRANT
Staff Writer, The Financial Post

Lengths, widths and average values opened up in underground work mean little to many mining investors. But interpreted in terms of mill capacity and possible earning power, they are useful to estimate share values.

When a mine has been developed on several levels and ore is exposed in drifts and proved by raisings, ore reserves can be calculated. Rough estimates are quite easy to make.

The ore contained in a vein is the product of ore length disclosed, average width and height of the vein to the next level. Twelve cubic feet of gold ore make a ton, allowing tonnage to be calculated.

Lead and copper ore are heavier than gold ore and anywhere from 6 to 10 cubic feet will weigh a ton depending on grade.

Gold ore usually occurs in veins while base metal deposits are more often in the nature of plums or blobs.

Narrow gold veins deserve special mention. A width of at least 30 inches must be removed in mining and all this material may be milled, no matter what the vein width, unless sorting of waste is practical. Sorting, of course, raises per ton costs.

The appearance of ore is important in sorting. If waste cannot be distinguished from broken ore it cannot be sorted out.

The Mill Size

Mill capacity is based on the tonnage and grade of ore more than on any other factor. Two or three years' ore reserves ahead of milling requirements are usually considered necessary on commencing production at a gold mine.

Three years is approximately 1,000 days, so possible daily mill capacity for gold mines can be obtained by dividing the tonnage of ore reserves by one thousand.

If the profit margin to be obtained appears low, due to narrow, low grade veins, mill capacity will be smaller to ensure a return of capital outlay.

Low margin of profit in the case of some gold mines causes ore reserves to be as much as six or eight years' milling requirements on the commencement of milling.

Financial markets are often unfavorable for financing mill construction. Directors may be influenced by market conditions to install a smaller mill than otherwise would be done. Oversize hoisting and crushing equipment are usually installed when the smaller mill is put in, allowing a ready expansion of mill capacity when funds are available.

Financing the Mill

Mills cost money. Large mills cost approximately $1,000 per ton of capacity and small mills somewhat more. A mill of 300 tons capacity would cost in the neighborhood of $300,000.

When a mill is being considered, money must also be allowed for further development. Ore bodies have to be prepared for mining and ore must be broken in stopes ready for commencement of milling.

The number of unissued treasury shares is often a key factor in deciding mill capacity. Directors usually dislike reorganization and prefer to limit initial mill size rather than reorganize.

The past year has demonstrated that financing on treasury shares is not the only financing method open for companies with proven ore reserves. Other methods include production notes, bond issues and loans.

Sachigo River Exploration Co. provides a typical example of financing mill construction by production notes repayable with interest out of first profits. Last February shareholders of that company were offered 6% production notes at the rate of $2 of notes for each share held. Shareholders making the loan were granted the right to subscribe for one additional share at $3 for each 10 shares held. As shares were selling at over $10 at that time the entire issue of production notes was taken up. The notes were repaid in September, four months after the commencement of milling operations.

Preston East Dome provides an outstanding example of financing by a bond issue. The company raised $602,000 by sale of $700,000 of five-year 6% bonds recently. Proceeds of the issue should be adequate to install a 300-ton cyanide mill and for the preparation of the mine for production with a balance remaining sufficient for working capital from the commencement of milling operations until returns are received from production. Profits on the ore already proven should allow the retirement of the bond issue well before maturity if this is desired.

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New Gold Find In Osway Area

Interest Deepens in Opeepeesway—Mining Corp. Has Interesting Vein

From Our Own Correspondent

SUDBURY.—Interest in the new Opeepeesway area west of Gogama, in Osway township, continues to be exhibited by prospectors and mining companies, and development results at the original discovery by Mining Corporation of Canada are watched for indications of the field's possibilities. At the week end there were reports of a new gold find, farther to the northeast on a direct line with Timmins, and close to the eastern boundary line of the Sudbury mining division. Sudbury reports state this find is an attractive one.

Airplane service from Sudbury to the Opeepeesway field continues extensive, and is understood the Burscott Syndicate this week is taking in two horses by plane. It is probable that the Austin Airways may re-establish its base at Chapleau because of the new activity and of the renewed interest in the Swayze field.

Take in Heavier Drill

Mining Corporation is reported to be taking in a heavier diamond drill this week, capable of boring to a depth of 2,000 ft., and the report is taken to indicate that the programme of shallow drilling has given sufficient encouragement to enlarge the programme. At present, it is stated, the discovery vein has been uncovered on surface for a distance of 300 ft. and that widths have been between 20 and 25 ft. Early indications are that a fair tonnage of low to medium grade ore is assured. It will require much more work, however, to determine the extent of the deposit.

Peter Roche, vice-president of Roche Long Lac Mines, and his brother, Felix, returned to the field recently to undertake exploration of the Roche and Tiche holdings. Work is proceeding on the Gifford and Smith properties, as well as the Shannon and others.

Sudbury interests, who for the time desire to remain in the background, are negotiating for purchase of a group of claims close to the Mining Corporation, and it is the intention to organize a company as soon as the deal is consummated. Grab samples on the property returned assays up to $18 per ton.

News Concentrates

B. E. A. R. silver output, at its Contact Lake mine, amounted to $21,250 in August. This compared with July output of $25,810.

• • •

Bankfield August production was $56,187 from 4,043 tons of ore, an average recovery of $13.90 per ton. July output was $57,017 from 4,115 tons, an average of $13.86 per ton.

• • •

Bruell Gold Mines (1936) has established three zones by diamond drilling. One has a length of 250 ft. returning values of $4.20 across 10 ft., $4.25 across 13 ft., $7 across 12 ft., and $5.25 across 10 ft. Drilling is continuing to cut vein No. 16.

• • •

Dorval Siscoe is stated to have completed new financing which will allow a continuation of work.

• • •

Darwin Gold Mines is planning to reorganize under the name of Baroda Gold Mines. Under the terms of the reorganization plan, shares will be exchanged on the basis of one Baroda share for each five Darwin shares held. Baroda will provide funds for outstanding debts and development.

• • •

Eldorado Gold Mines is understood to have increased its output at Port Hope refinery to about $200,000 monthly. It is expected this will be further increased to perhaps $250,000 before the end of the year.

• • •

Gwyn Beardmore has filed an amendment to its registration statement with the SEC, at Washington.

• • •

Golden Gate is stated to be producing at $1,000 daily in September with output for the month expected to be in neighborhood of $30,000. On 650-ft. level it is believed the rich 405 ore body has been encountered at 150 ft. east of where expected.

• • •

Hollinger has declared an extra dividend of five cents payable with the regular four-weekly dividend of five cents on October 7.

• • •

Kerr Lake Mines will hold its annual meeting on Sept. 26 in New York.

• • •

Lamaque and Sigma shares may be listed on the exchange if distribution is made by Read-Authier Mine. At the present time there are not sufficient shares in the hands of the public to comply with listing requirements for these stocks on the Toronto Stock Exchange.

• • •

Leitch mint returns for August amounted to $60,573 from 2,733 tons of ore milled, an average recovery of $22.12 per ton. This compared with record production of $61,254 in July from the treatment of 2,514 tons, an average of $24.37 per ton.

• • •

Lapa Cadillac is stated to be treating 150 tons of ore daily pending installation of cyanide equipment when tonnage treated will be stepped up to 300 tons daily.

• • •

Faymar Porcupine Gold Mines, which is being financed by Polaris, is crosscutting toward the main ore bodies at the 225- and 350-ft. levels.

• • •

Privateer Mines' shareholders voted to make the company a public one at a special meeting held in Victoria recently. Shares will be subdivided on the basis of 10 new shares for each old share held. After giving effect to this, authorized capital will be 2,500,000 shares.

• • •

Powell Rouyn gross output for August amounted to $82,840 as compared with $82,025 for July.

• • •

Paymaster Consolidated cut two new veins in flat drilling from the 2,075-ft. level. The first drill hole showed one vein with a width of 12 ft., carrying no commercial values and a second vein running $12.64 per ton across 9 ft. 2 inches. A second drill hole, 70 ft. to the west, showed the first vein running over $40 per ton across 88 inches and the second vein running $14 across 98 inches.

• • •

Pan Canadian operating a producing gold property in Cadillac twp., Que., has boosted its mill rate from 50 to 75 tons daily. Management plans to open up two additional levels.

• • •

Relief Arlington August output amounted to $26,460 as compared with $35,875 in July.

• • •

Siscoe Gold Mines is stated to be opening up a new ore area on its 12th level. The company's programme of shaft sinking is nearing completion.

• • •

Sachigo River produced $62,500 in August from the treatment of 780 tons of ore, an average recovery of $80.12 per ton. July output was $74,000 from 810 tons, an average of $91.35 per ton.

• • •

Sladen Malartic produced $51,659 in August from 9,490 tons treated, an average recovery of $5.44 per ton. This compared with production of $51,812 from 9,269 tons in July, an average of $5.59.

• • •

Twindyke Mines has been formed with a capitalization of 3,000,000 shares to take over assets of bankrupt Rickard Ramore Gold Mines. The new company will issue 1,000,000 of its shares to Rickard Ramore.

• • •

United Gold Equities of Canada filed an amended registration statement with the SEC, at Washington, on Sept. 14.

Young-Davidson August production amounted to $116,211 from 31,740 tons of ore, an average recovery of $3.66 per ton. This was a new record for monthly production and compared with July output of $106,277 from 28,515 tons of ore, an average of $3.73.

Malartic Gold Fields Reports Drill Results

From Our Own Correspondent

MONTREAL. — Malartic Gold Fields reports that drill hole No. 85 equidistant between holes 76 and 79 has encountered 12 ft. of mineralization porphyry assaying $3.20. This hole confirms the number 7 ore section between these holes.

The company further reports that drill hole No. 86 from 361 to 362.8 ft. assayed $5.60. Other ore zone samples have not been assayed.

The No. 7 ore zone has now been cut in 20 continuous drill holes showing an average width of 8.5 ft. of $10.60 grade for the length of 2,020 ft.

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The Week in Oils

Injunction is Sought On Conservation Plan

Turner Valley Operators Claim Oil and Gas Conservation Act 1938 Is Ultra Vires — Oil Companies Pay Substantial Dividends

The Petroleum and Natural Gas Conservation Board has met its first snag since the commission was formed several months ago.

In an effort to stop the board applying its gas conservation scheme for Turner Valley on Oct. 15 or any other time, an injunction is sought in an action started in Alberta Supreme Court last week.

Not only is the claim made that the Oil and Gas Conservation Act, 1938, under which the Petroleum and Gas Conservation Board was created, is ultra vires the provincial legislature, but the claim is also advanced that the "purported" amendment to the natural resources agreement between the province and the Dominion, which made possible the passing of the Conservation Act, is ultra vires.

Would Set Aside Order

A court order setting aside the order of the conservation board whereby the flow of gas wells would be restricted to 1,200,000,000 cubic feet a month or approximately 40,000,000 cubic feet a day, is sought in the action. Plaintiffs in the action are Miracle Oils, Limited, and Mercury Oils, Limited, operators of gas wells in South Turner Valley, and Gas and Oil Products, Limited, operators of an absorption plant in South Turner Valley. Defendants are the Attorney-General of Alberta and Petroleum and Natural Gas Conservation Board.

The claim is advanced by all plaintiffs with regard to "so-called oil wells," that these wells are producing oil with a more unfavorable oil-gas ratio than before the order of the board.

A total of $1,110,941 will have been returned to investors in Turner Valley oil companies in 1938 by Sept. 30—almost as much as returned in dividends all last year—according to a statement issued by the Calgary Stock Exchange.

Turner Valley companies in 1937 distributed dividends to shareholders totalling $1,323,775. The following table shows the dividend record of Turner Valley companies in the first nine months of 1938 compared with all of 1937.

	Dividend	
	1938 $	1937 $
C. and E. Corp.	120,755	......
Foundation	38,500	40,700
Model	29,865	......
Monarch	37,500	47,500
Royalite	1,054,664	529,302
Vulcan	42,491	......
Brown Oil	......	12,600
Commoil	......	79,405
Firestone	......	37,500
Four Star	......	30,000
Frontier	......	75,000
Prairie	......	150,000
Royal Crest	......	14,250
Sunset	......	75,600
Vulcan-Brown	......	9,333
Three Point	......	9,750
Totals	1,323,775	1,110,941

The following dividends were paid in August or will be paid in September: Brown Oil Corporation, $3 on each preferred share, involving $12,600; Four Star, three cents a share, involving $30,000; Royal Crest, 1½ cents a share, involving $15,000; Three Point, 1 cent a share, involving $10,000; Vulcan-Brown, 1¾ cents a share.

Highest Allowable Quota

York No. 1 in south Turner Valley will have the largest allowable crude oil production in Turner Valley. It will be given a daily allowable quota of 2,048 barrels.

Sunset No. 2, recently completed, may rival this when tests are completed.

The highest allowable quota in the field, previously was that of Frontier which has an allowable of 1,955 barrels daily. Opened up for the first time for a production test, last week, York 1 produced for six hours at a rate of about 125 barrels an hour or 3,000 barrels a day through a two-inch opening.

It was upon this production rate, maintained over six hours, and other factors, that the Petroleum and Natural Gas Conservation Board set the daily allowable at about 2,400 barrels. The other factors are the gas-oil ratio, bottom hole pressure and acreage drained.

Royalite 33, recently completed, will have an allowable production quota, under proration, of approximately 500 barrels daily. Thus Royalite's latest completion compares favorably with other Royalite crude wells.

Oklend Plans Further Drilling During Winter

Further drilling is planned by Oklend Gold Mines on its property in the Little Long Lac area this winter, according to Joseph Errington, president, in the annual report for the year ended June 30. There is stated to be a large acreage remaining to be explored and the company has acquired holdings of Lac Development Co., adding an additional large acreage along the south boundary of the original property.

Further drilling has been recommended to be done in the iron formation band east of Hard Rock this winter when ice conditions permit. Sixty-five drill holes were put down at intervals from January, 1935, to March, 1938, of which 10 holes failed to reach bed rock.

Balance sheet as at June 30, 1938, showed cash of $59,793 as against current liabilities of $500. There were 2,300,005 shares issued out of an authorized capital of 3,000,000 shares.

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From Our Own Correspondent

WINNIPEG.—Bullion to the value of $14,500, the result of 25 days operation at Oro Grande (Beresford Lake Mines) has been shipped to the mine and there is another $3,000 or $4,000 tied up in concentrates. J. D. Shannon, who holds an operating lease on the property, has been in the city arranging for the purchase of equipment and supplies, explosives and stores to carry on work through the winter. He is also arranging for the installation of a flotation unit to treat the accumulating concentrates.

In opening up stopes in the mine sampling and assay tests have far exceeded expectations, Mr. Shannon says. The first stope on the 250-ft. level has now been opened for a continuous length of 150 ft. Values of two to four ounces gold per ton across three to five feet were not uncommon and the entire 150 feet looks like averaging rather better than one ounce ore. Another stope on the first level averages half ounce values across stoping width.

Three machines are working underground and there is broken ore ahead of the mill for about a month, with eight or nine months ore in sight. The plant and mill is being operated with electric power and present production is being obtained from about 30 tons per day, which with the addition of a flotation unit may be increased to 45 tons per day.

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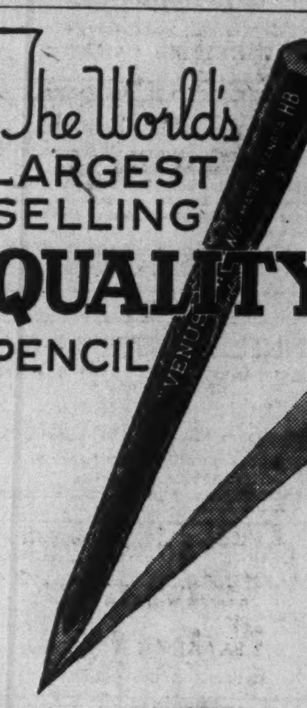

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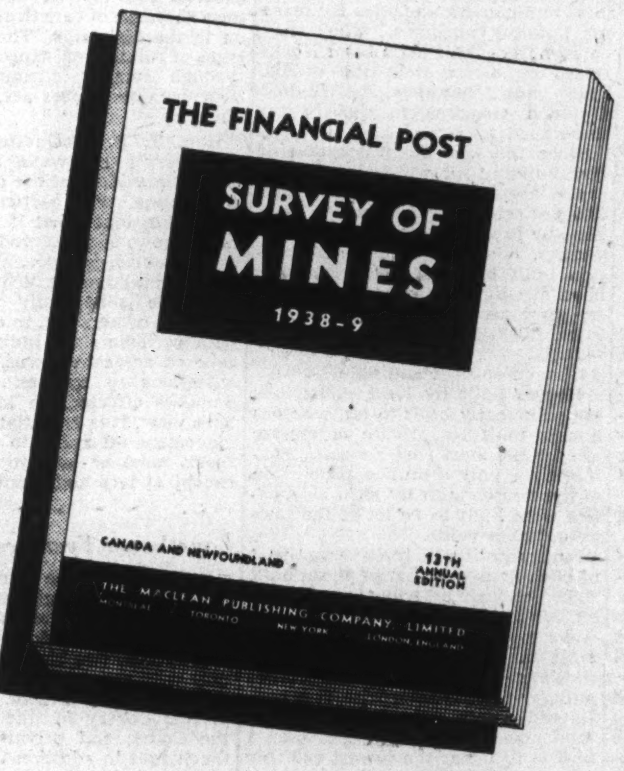

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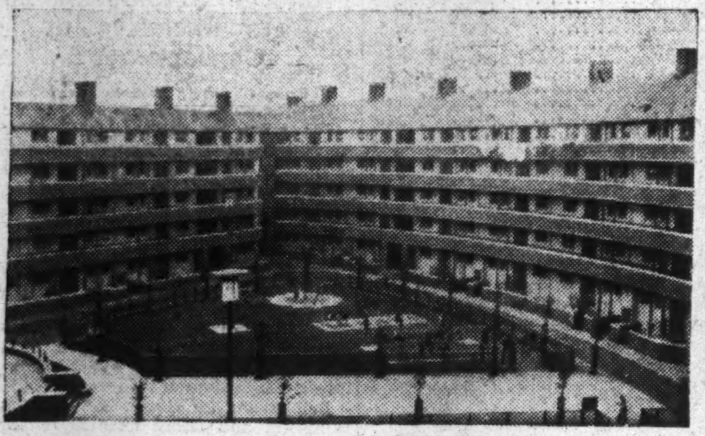


BRITISH HOUSING

The British building boom of the past 10 years has been the marvel of the world. It has been produced chiefly by private enterprise, cheap money and convenient terms for residential building, and large Government subsidies for low cost and low rental housing. Above are several samples of the type of units produced in the low cost and low rental field. Top photo shows groups of attached low cost houses, with painted brick finish and small gardens in front. Below is a low rental apartment development in Liverpool, with central playground area for tenants' children.

Construction

British Construction

Tremendous Volume of Operations

•

Shows Some Signs of Curtailment

By H. L. SOUTHALL
Editor-in-chief, Business Newspapers
The MacLean Publishing Co., Ltd.

LONDON.—Throughout the British Isles one sees evidence of the tremendous building activity which, since 1919, has resulted in the construction of 3,666,014 new houses in England and Wales alone.

This tremendous and steady volume of construction, involving private enterprise as well as the Government's subsidized plan of slum clearance and rehousing, has provided a far-reaching stimulus to all branches of the building supplies and house-furnishings fields.

At the moment there has been a slight curtailment in building and one hears a variety of reasons for this.

One architect, who perhaps does not particularly like this wholesale construction of houses to a more or less standard pattern, shook his head and said that many of the newly built apartment flats were not half occupied, that their construction was now tapering off through lack of demand and that within twenty years there would be a big slump in building values in this country because of the big building rush of the last few years.

Need for Armaments

Another reason given for the recent curtailment of building is that there is a shortage of material and supplies due to the tremendous needs of the armament industry. This is said to have hit private building more than it has the Government's subsidized construction plan.

The fact remains, however, that the total number of houses provided in England and Wales during the half-year ended March 31 last, was 181,944, the highest output of houses in any single half-year, according to the Ministry of Health. This report shows that progress is continuing steadily in housing and slum clearance activities of local governmental authorities.

Of the 181,944 houses produced in the half year, 138,639 were houses completed by private enterprise without assistance. The number provided by local authorities was 41,631. The proportion of small houses provided by private enterprise is said to remain unreduced, while proportionately the number of small houses built for letting is steadily rising.

Financing Methods

The slum clearance and housing programme has been largely carried out by local authorities — the local government in most cases — utilizing a subsidy or grant from the central government, and also utilizing the central government's offer to loan money at low rate (generally 3¼%) for rehousing purposes. This subsidy is in proportion to the number of persons rehoused.

Other bodies such as public utilities, building societies, etc., may also qualify on the same basis as local municipal authorities for loans for building purposes. They may borrow from the Public Loan Works Board or direct from the public. They must, however, be limited dividend concerns to qualify for these concessions.

Since the war the proportion of new building for which local authorities are responsible has averaged 29.5 per cent. The balance has been done by private interests. It is noteworthy, however, that the proportion built by local authorities has been steadily declining, the figures for some recent years being as follows: 1933—22.5%; 1934—17%; 1935—12.7%.

For Rent and Sale

Houses built by local authorities are principally built to let, whereas houses built by private enterprise are for the most part, for sale. Furthermore, only a limited proportion of the houses built by local authorities were built to be let at the lowest rateable value.

An indication of the average rent of such houses is that of those built since the war, half the houses built by the local authority in Liverpool and one in twenty of the houses so built in London, are to let at 10 shillings per week. Of the houses built by private enterprise, it is considered a fair estimate that of the total houses built, not more than 1 in 8 is to let at the lowest rateable value of £13 (£20 in Greater London).

Construction World

Express Highway Problems

Lion's share of attention at the recent convention of the Canadian Good Roads Association, at Bigwin Inn, Ont., was captured by the problems associated with building of express highways linking major centres of population. The general conclusion was that construction of such roads, particularly of the dual or divided lane type, would have to be undertaken gradually and cautiously, in keeping with the financial capacities of the various provinces and the pressure of necessity represented by growing traffic congestion on present main highway routes.

Chief advantage of this type of road is its ability to handle large volume of traffic moving at fairly high speed, without congestion and with greater safety than on regular-type highways. Also routes of divided lane highways are usually more direct, cutting down the time and expense involved in using roundabout routes.

Principal drawback is the much heavier cost of express roads, for wider right of way, construction of pavement and boulevards, and expensive clover-leaf intersections. Objection has also arisen from smaller municipalities and owners of property along express road routes, to the policy of by-passing communities in the territory traversed by the dual highways and to the regulation barring construction of traffic-slowing commercial structures bordering such roads.

• • •

Officials of highways departments at the convention apparently justified by-passing and roadside development control, already effective in regard to Ontario's dual road development. Both policies were endorsed in resolutions adopted by the Association. It was reported that dual highways in England and France had lost much of their value through uncontrolled commercial development of properties along the route. This had multiplied accident hazards and slowed traffic movement, because of cars turning off and on to the highways. The disadvantages of running an express highway through smaller communities between major centres are, of course, obvious.

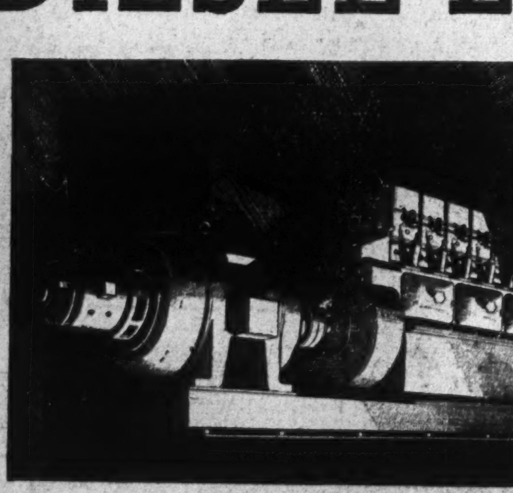
Hon. T. B. McQuesten, Ontario minister of highways and newly elected president of the Good Roads Association, was particularly firm in his insistence that if the express roads are to be preserved as through traffic routes, commercial operations along their edges must be restricted. This rule is naturally resented by property owners but, in combination with periodic signs indicating presence of adjacent towns, will offset objections to by-passing by communities affected. In Mr. McQuesten's view, it is essential that traffic movement off and into the through roads, must be kept to a minimum except at terminal points.

• • •

Courthouse Features

Features of the new Supreme Court of Canada building in Ottawa, tenders for which are receivable to Oct. 4, will include a large main court room, two stories high; a library with accommodation for 250,000 volumes; dining room, lounge and private library for the members of the Court; and private garage for the judges in addition to the underground parking accommodation for 175 cars.

DIESEL ENGINES



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EDMONTON
VANCOUVER
VICTORIA

Canadians Share In Fund Awards

Industrial Technicians Get Prizes from $200,000 Fund

Technicians of six Canadian industrial plants shared in the $200,000 fund recently distributed by the James F. Lincoln Arc Welding Foundation as awards for papers submitted in the Foundation's programme to analyze the benefit and application of arc welding in industry. A total of 328 awards was made as a result of the programme, in progress February, 1937, until last June, and ranged from the grand award of $14,000 down to $101.

Largest Canadian award went to H. Thomasson, welding engineer, Canadian Westinghouse Co., Hamilton, Ont., who received $2,747 for his paper, "Reorganizing, Equipping and Operating a Plant Weldery."

Other Canadians winning awards were:

A. E. Katz, welding engineer, National Steel Car Corp., Hamilton, Ont., $508 for study on "Light Weight Passenger Car Frame" in the railroad classification.

Ralph J. Dion, arc welder, Bloedel, Stewart & Welch Ltd., Bloedel, B.C., $305 for his paper "Welded Motor Rail Car," also submitted in the railroad classification.

Allan E. Beckett and George H. Beckett, machinists, Canadian Canners (Western) Ltd., Mission City, B.C., a joint award of $305 for their paper, "Arc Welded Machinery for Preparing and Canning Peas," submitted in the food-making machine division of the industrial machinery classification.

C. L. Mason, draftsman, I. Matheson & Co., New Glasgow, $203 for his paper "Redesign of a Swivel Dump Mine Ore Car," in the conveying machinery division of the functional machinery classification.

John C. White, proprietor, John C. White Welding & Machine Works, Neepawa, Man., $152 in the watercraft classification for his paper on "Welded Steel Boats."

Named after the president of the Lincoln Electric Co., the Foundation was established to encourage scientific interest, education and development in regard to application of the arc welding process. A jury composed of 31 engineering authorities from leading universities and colleges judged the studies submitted during the 18 months ended last June. The jury reported that the savings to industry claimed by authors of the papers aggregated $1.6 billion.

New Building

H. Simon Sons Ltd. have awarded contract at approximately $80,000 for erection of cigar factory at Mount Royal, Montreal suburb.

Dominion Dept. of Public Works has issued long awaited call for tenders for construction of new Supreme Court of Canada building at Ottawa, for which probable outlay is estimated at $2 millions. Specifications call for exterior walls of sandstone, with granite base.

Harry C. Hunter, owner of Hotel Kitchener at Kitchener, Ont., reports plans for construction of new 100-room hotel there.

Cartier Waxed Paper Products Co. reportedly contemplates erection of factory at St. Genevieve de Pierrefonds, Que.

Famous Players Canadian Corp., Toronto, has had plans drafted for two motion picture theatres to cost $100,000 each, one in Fort William and one in Port Arthur.

Caisse Nationale d'Economie has awarded contract at $153,388 for erection of three-story office building on St. James Street, Montreal.

Congregation of Sisters of Charity, Rimouski, Que., is having $150,000 addition built to St. Joseph's Hospital.

Canadian National Exhibition contemplates exterior-shell modernization of its Manufacturers' Building before next fall, extension of lavatory accommodation, and erection of new Food Products' Building to cost $250,000 before 1941.

Blue Top Brewing Co., Kitchener, is undertaking a programme of alterations and extensions of its plant, and improvement of equipment, involving expenditure of $40,000.

City of Montreal authorities are going ahead with plans for the long proposed extension of facilities at Bonsecours Market, the city council having voted to borrow $650,000 for the improvement.

Reported by Engineering & Contract Record:

Jarvis Street Baptist Church, Toronto, leading fundamentalist church in the city, will shortly award contract for reconstruction of its building, destroyed in spectacular fire some months ago. Estimated cost is set at $400,000.

Vancouver School Board is formulating construction programme for new schools, additions and improvements calling for total expenditure of $362,000.

Erskine and American Presbyterian Church, Montreal, has awarded contract for $160,000 for alterations and additions to church building.

Dalhousie, N.B. has started a paving programme total value of which is estimated at $40,000.

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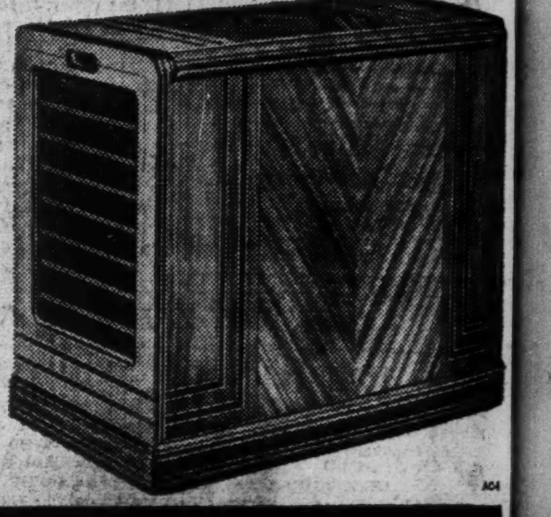
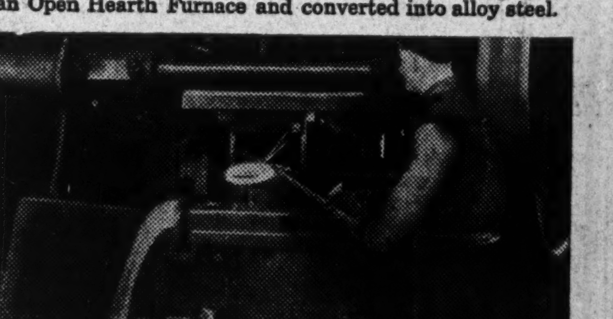


Electrohome PORTABLE AIR CONDITIONER

ALGOMA STEEL Stands the Tests of Automobile Builders and Users

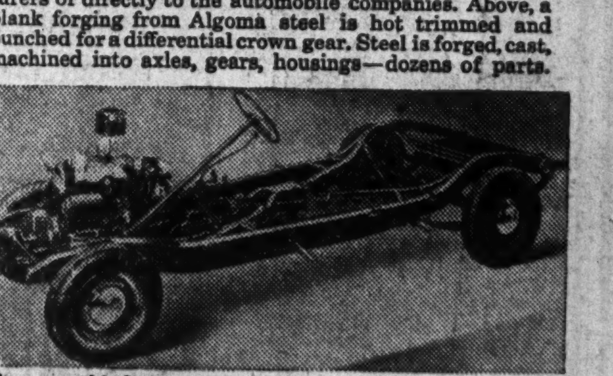
Men of Algoma supply the highest quality carbon and alloy steels for use in motors, transmissions, rear-end assemblies and other vital parts. Above, hot metal is charged to an Open Hearth Furnace and converted into alloy steel.

Steel passes exacting tests before going into an automobile. Algoma steel's ability to stand stress and strain is proven in Algoma's Metallurgical Laboratory. Here Bob Black heat treats a sample.

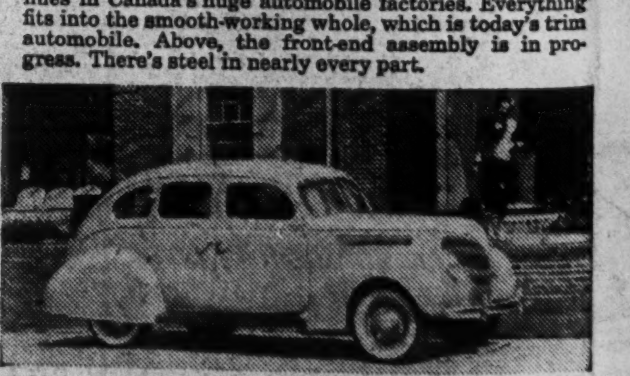


When tests are passed steel goes to the parts manufacturers or directly to the automobile companies. Above, a blank forging from Algoma steel is hot trimmed and punched for a differential crown gear. Steel is forged, cast, machined into axles, gears, housings—dozens of parts.

These parts and sub-assemblies meet at the assembly lines in Canada's huge automobile factories. Everything fits into the smooth-working whole, which is today's trim automobile. Above, the front-end assembly is in progress. There's steel in nearly every part.



The assembled automobile chassis on which the body is mounted is solid and compact ... scores of parts are fabricated from Algoma steel—steel which stands the tests of automobile builders and users. There is no let-up to constant advance in Canada's automobile industry.



"Men of Algoma" match its swift strides in producing 130 grades of carbon and alloy steels which cut down weight ... stand the terrific speeds and stresses ... resist gruelling wear—steels on which you can depend for security and comfort in driving today's automobiles.

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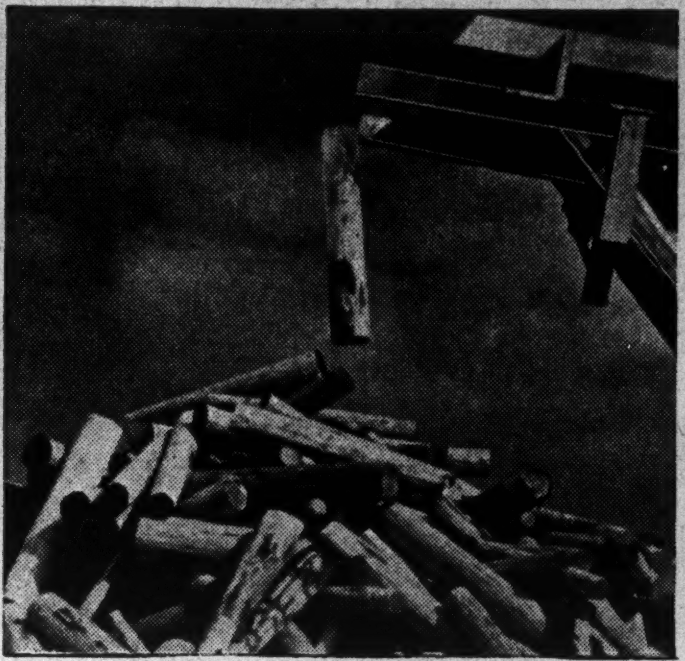
THE FINANCIAL POST

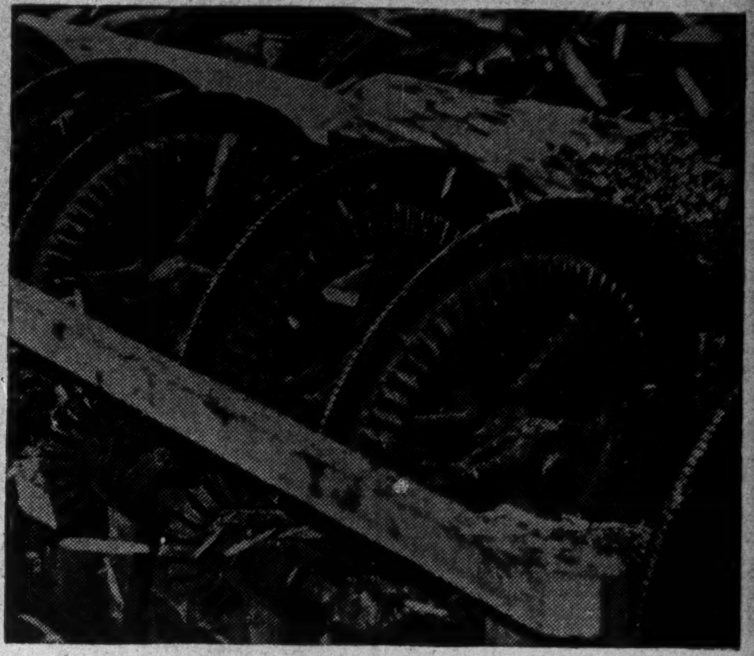
Largest Circulation of All Canadian Financial Papers

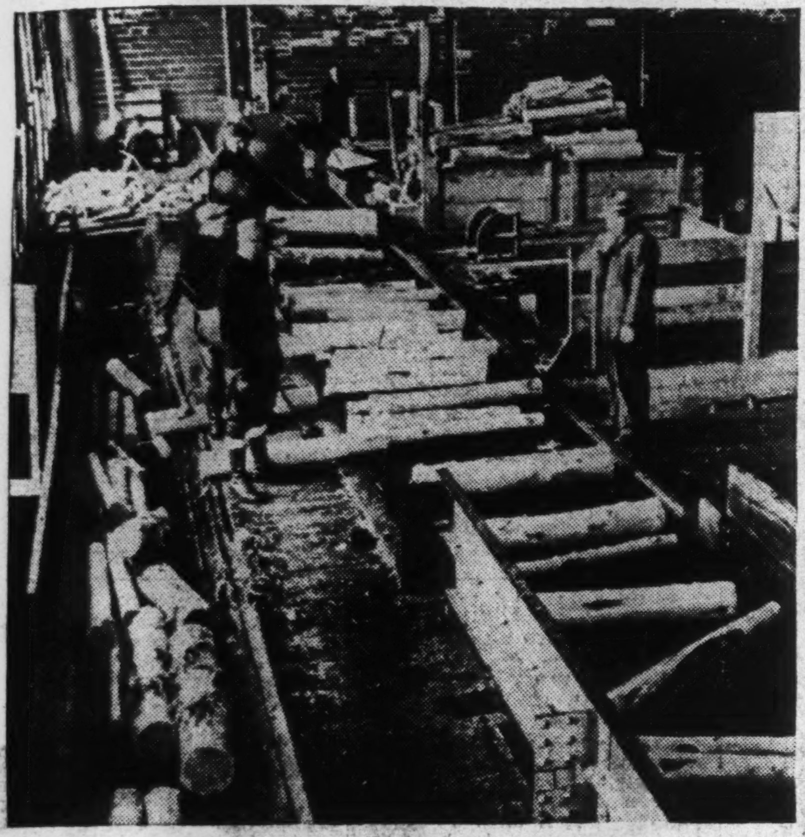
Vol. XXXII Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, SEPTEMBER 24, 1938 10c a Copy; $5.00 a Year No. 39

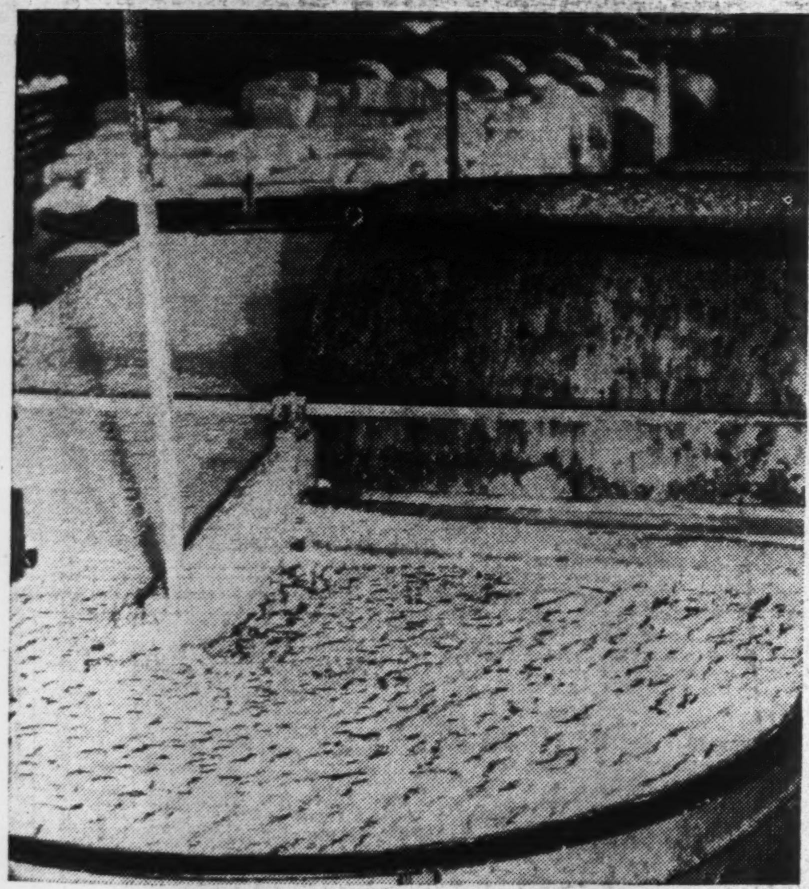
From the forest Canada's pulp logs

. . . are floated in great annual drives


. . . and become mountains of wood at mills.


The logs pass through barking machines


. . . are carried along sorting belts


. . . digested pulp passes through the beater

Pulp, Paper on the Upswing

Canada's Leading Industry Consolidates Position as Science Widens the Field

By JOHN E. LANGDON

Eastern Editor, The Financial Post

Stabilization is the great need of Canada's pulp and paper industry. Up one day and down the next has been the history of the Dominion's leading industry.

The sharp fluctuations have been explained in many different ways. Promoters have been at fault. The industry has been overcapitalized. Competition has been reckless. Operations have been extravagant. There has been a lack of co-ordination. Each and all of these no doubt have played their part in the instability of the pulp and paper trade.

Occupies Important Position

These unsettling influences are common to any industry that has grown as rapidly as Canada's pulp and paper industry. While a critical attitude may be warranted, still it is well to remember that the manufacture of pulp and paper and allied products now represents a major industrial undertaking in this country. A livelihood is provided for tens of thousands of workers. More than 50 communities are dependent upon this business. Well over half a billion dollars has been invested in plant, timber limits, water powers and organization. The industry contributes more to the favorable balance of trade than any other manufacturing activity.

This is no mean record when it is considered that it has been accomplished despite almost overwhelming difficulties and in the short space of 25 or 30 years. Before the war the manufacture of pulp and paper was of minor importance.

Expansion Was Unrestricted

The lifting of the duty on newprint imports into the United States stimulated growth of the pulp and paper industry. The post-war period witnessed a depression. Then came the big period of expansion. The provincial governments vied with each other in their generosity in handing out timber limits to promoters. New capital came readily, attracted by the possibility of big profits. There was little attempt to regulate expansion. The result was inevitable and only now is the industry beginning to recover from that period of excesses.

The history of the pulp and paper industry up to this time has been described as having been in three phases: promotion, development and consolidation. The industry now is in the third stage. Where it will go from here depends upon many factors.

It is known that the newsprint industry in this country will continue for a long time as one of the world's principal sources of newsprint. Though a great deal has been said about the development of Southern Pine as a possible material for newsprint paper, there is no immediate danger on that score.

Canada has the wood, power, equipment and personnel to keep it to the forefront as the leading newsprint producer. That position it should continue to hold as the use of newsprint paper is growing continually.

Before considering other branches of the pulp and paper trade, it is well to point out a condition which is not always fully appreciated. The newsprint industry is an export industry. The domestic demand is small. One of the major operators would have no difficulty in filling it. Over 80% of the total Canadian production is exported. As newsprint is an international commodity, it is absolutely essential that no restrictions or regulations be imposed which would affect the ability of this division to compete successfully in the world market. This cannot be emphasized too greatly for there has been a tendency to regard newsprint like any other product manufactured in this country. Newsprint is not a domestic but an export product.

The fine paper division differs from newsprint in that it is primarily a domestic business. Some export trade is done, but the welfare of this branch is dependent upon sales within the country.

The kraft paper trade is in much the same position as fine paper; doing some export business but relying largely upon domestic orders. But there are branches of the kraft division, such as kraft liner and board which depend to a much greater degree upon export trade. Like newsprint it is concerned with any regulations or restrictions which would hamper its ability to compete abroad successfully.

The pulp and paper industry's importance is unquestioned. Yet before many years have passed it is quite conceivable that the industry will achieve greater magnitude through the development of cellulose products. The extraordinary growth of the cellulose-using industries— artificial silk for example—and the work being done in developing new products, such as plastics, open up a broad field for the pulp industry.

There is unanimous opinion that the use of high-grade pulps will expand enormously in the years ahead. Canada will be called upon to meet a large proportion of this demand. Already Europeans have been investigating the pulpwood supplies of the country; have attempted to buy large timber areas, and have made arrangements to buy a considerable quantity of pulpwood.

A period of stability lies ahead for the industry: stability of operations, employment and earnings, but only if all interests work in harmony. If the excesses of 1925-1930 are permitted to recur, the industry can only look ahead to a repetition of the troubles that have beset it in the last decade.

The abuses that always appear to be present in the promotion stage are of the past. The troubles of the development stage have been overcome largely, but the consolidation stage is not complete.

In the course of the past five or six years tremendous progress has been made from within in overcoming weaknesses in the industry structure. Reorganizations have been numerous. Financial affairs have been put on a firmer basis. In many instances the capital structure has been scaled down; fixed debt securities exchanged for equity securities or obligations deferred. Every effort has been made to permit operators to carry on until such time as conditions become normal.

Notable Savings Made

Changes in the capital structure have been only one feature of the internal readjustments. Costs have been reduced. Both pulp and paper are being produced on a more efficient scale than ever before.

Savings have been made in administration charges. Selling costs have been lowered. Shipping charges have been reduced. For example a large proportion of the newsprint output is shipped to market by water, whereas only a few years ago rail transportation was the universally accepted method. Now many companies operate their own fleet of boats.

Factors Outside Control

Some things the operators have not been able to do in their efforts to operate more economically. They have not been able to reduce power costs, though modifications have been made in some contracts. Stumpage charges have kept advancing. Railway freight rates are still twice as high as they were in 1914. Taxes—both direct and indirect—have gone up and up.

The industry can go only so far. It is impossible for the industry to regulate all factors bearing upon its own welfare. There are outside influences; influences which must be brought into harmony with the general picture if the industry is to achieve a greater degree of stability.

Provinces Have Responsibility

These outside influences are represented by the provincial governments in those areas in which the industry operates.

The provinces can and do exert a tremendous influence on the industry's operations, far more than is realized. They regulate the hours of work

(Continued on page 19)

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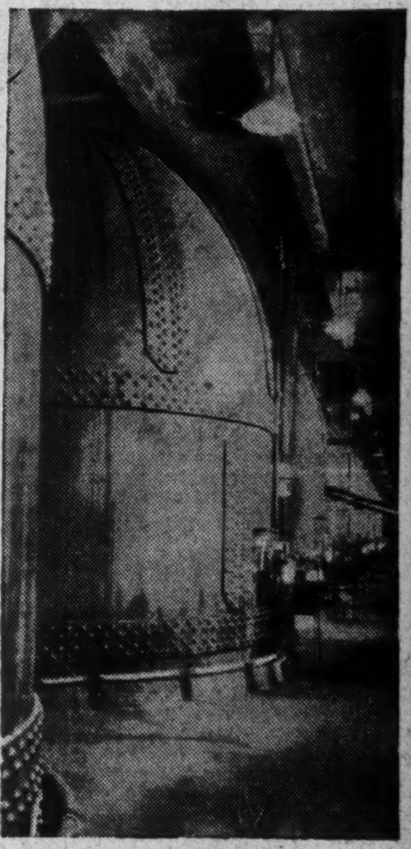
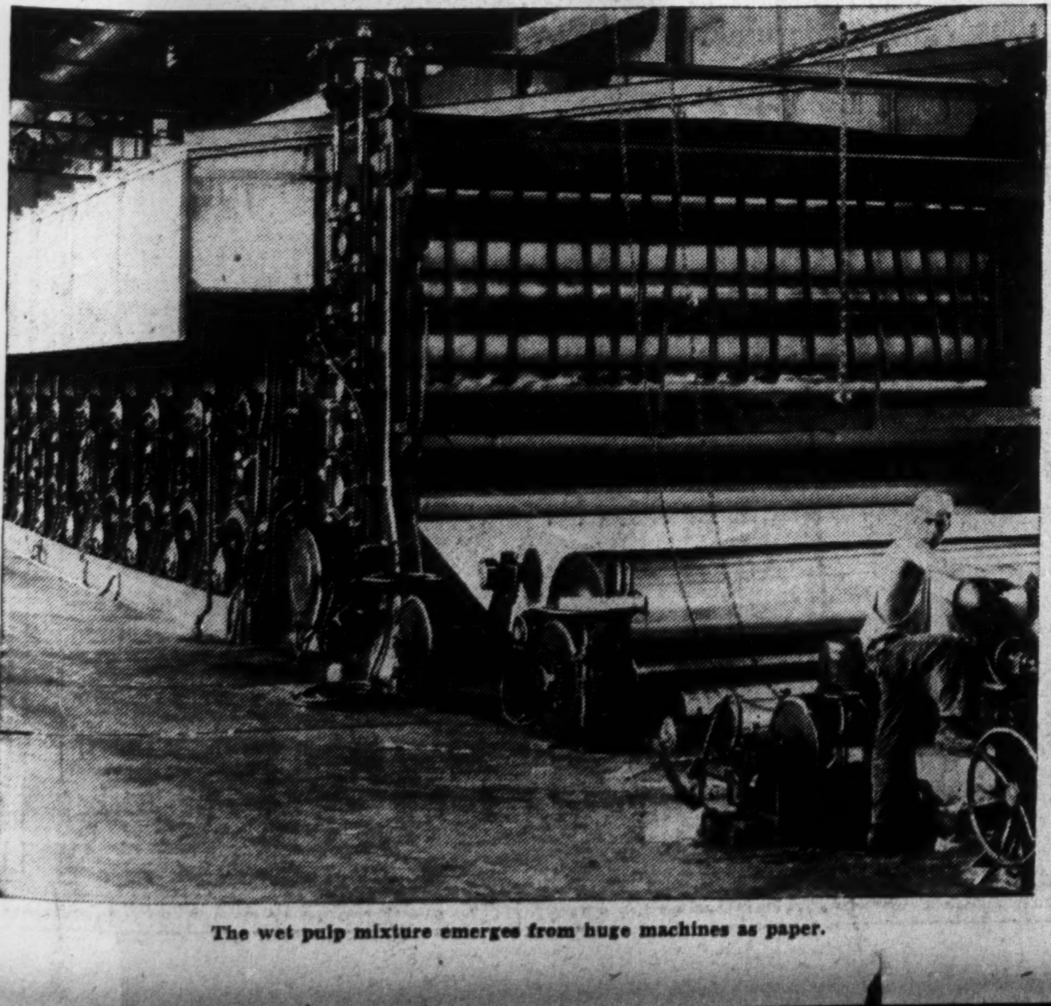
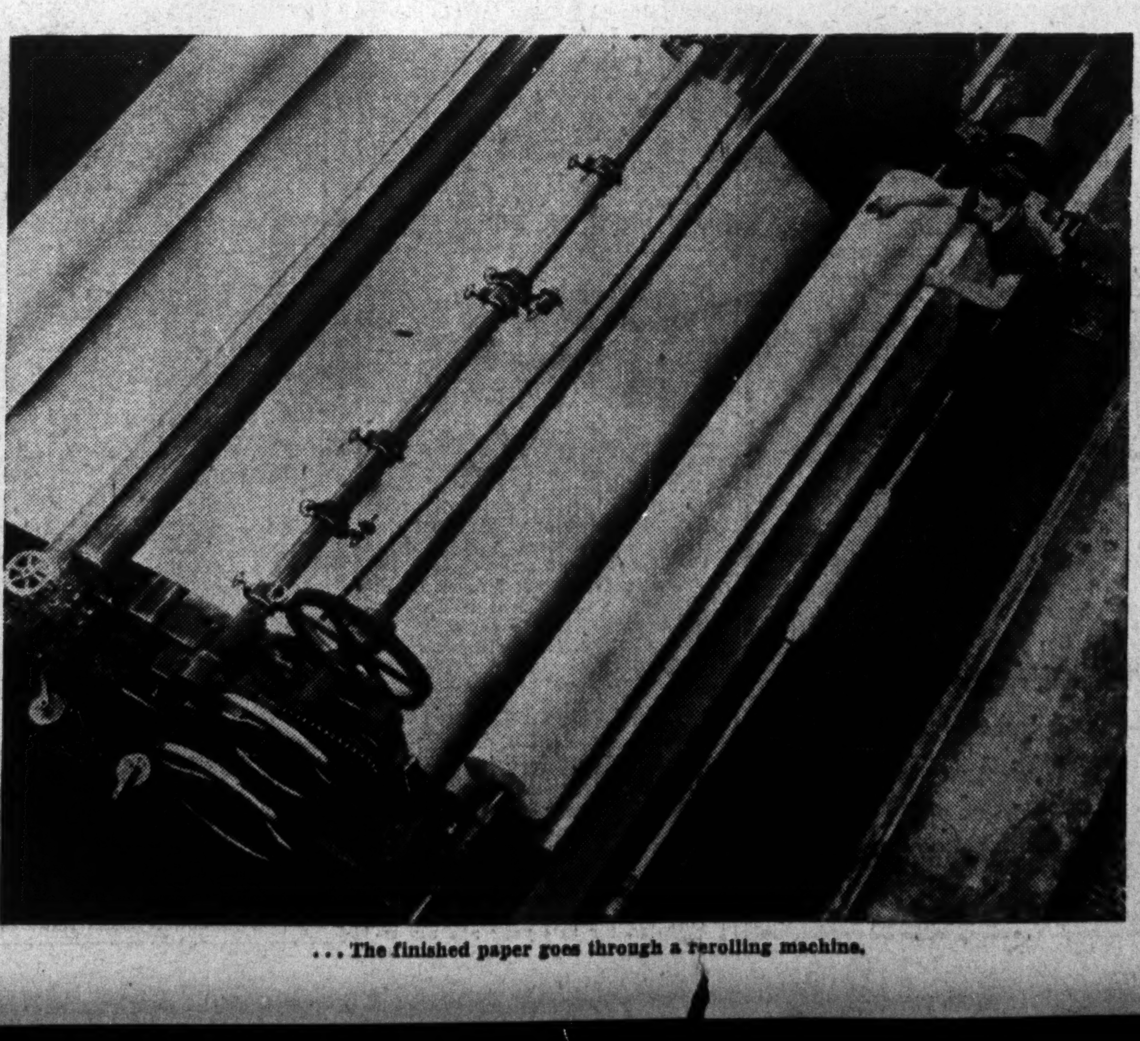
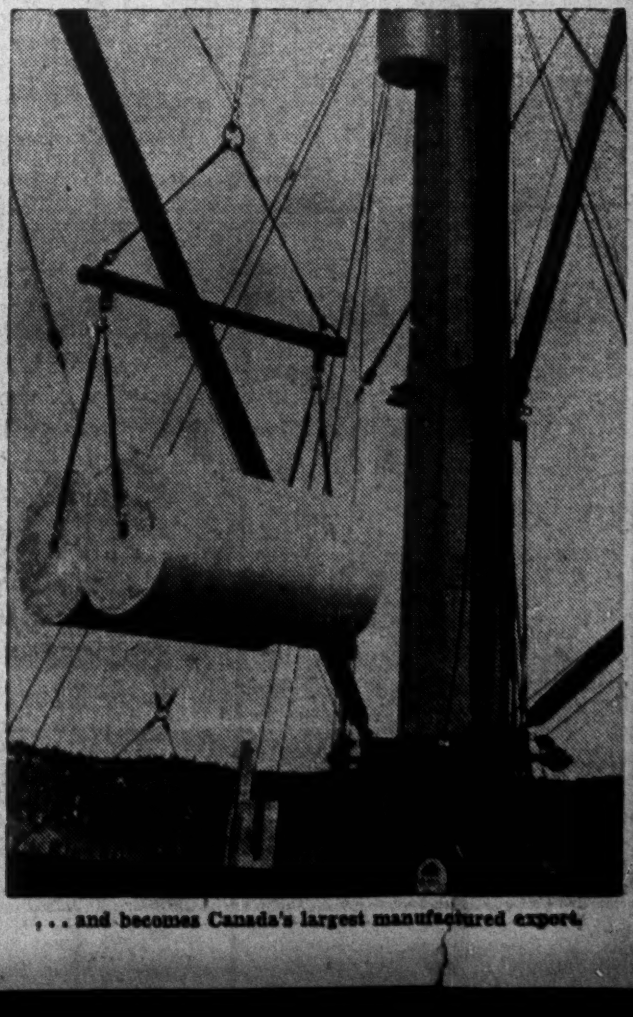
. . . cut into fine chips


. . . are digested with acid


The wet pulp mixture emerges from huge machines as paper.


. . . The finished paper goes through a rerolling machine,


. . . and becomes Canada's largest manufactured export.

Fine Paper Trade Looks Ahead

Volume of Sales to Date Reflects Easier Business Conditions

Manufacture of fine papers and paper specialties in this country follow closely the general trend of business. Unlike some other branches of the industry, this division has a very limited export trade. Accordingly it must depend upon domestic consumption to keep the plants operating profitably.

Over the last year business conditions have been off, though not to the same extent as in the United States. The decline has been sufficiently pronounced, however, to bring about a general slowing down in this branch of the pulp and paper industry. It is not likely that the financial returns for 1938 will be as high as in 1937 which was an exceptionally good year.

Prospects Look Better

At the moment prospects are shaping up in a more encouraging manner. The large wheat crop and the attendant increase in buying power is expected to prove a stimulant to business. Then there is the better feeling in the eastern area. Unless there is a setback, the outlook for the balance of the year is better than it has been in recent months.

One of the major problems which the fine paper and paper specialty trade has to contend with in this country is the wide variety of papers demanded by the domestic market and the limited demand for most of them. The industry is so equipped that it can meet the annual demand for many products with a few days or few weeks mill run. The changing over of the machines to produce this wide variety of papers and specialties adds materially to costs and holds back more profitable operations.

This is a problem that the industry may have to face for many years to come. The development of an export market which would permit longer runs on specialties is difficult because of duties, vagaries in foreign exchange, etc. Were it possible to secure markets outside of the country, it would enable the industry to operate more economically and at the same time supply the product at lower cost.

E. B. Eddy

Diversification of output has helped the E. B. Eddy Co. to maintain operations. However, production has been affected adversely by the general curtailment in the demand for pulp and paper products. Sales of newsprint are understood to be lower, in line with the general trend for the industry. Fine paper demand has reflected the general business situation. It is reported that, on the whole, sales have been well maintained.

There is no means of telling the dollar value of sales or profits, as the company does not issue a statement. There are no bonds outstanding and of the capital stock, 49% is held by Gatineau Power Co. and the balance, or majority control, by private interests. Earnings have been such as to provide for regular distribution on the company's capital stock.

During recent years the company has carried out plant improvements and extensions involving a considerable capital outlay. The programme included installation of a new water filtration plant at a cost of several hundred thousand dollars. Other work carried out included the renovation and enlargement of the sulphite pulp unit, enlargement of boiler capacity, rearrangement of storage and handling facilities, additional pulp preparation equipment and a new head office building.

With its modernized and enlarged equipment, the company is in a position to benefit from any improvement in trade.

* * *

Provincial Paper

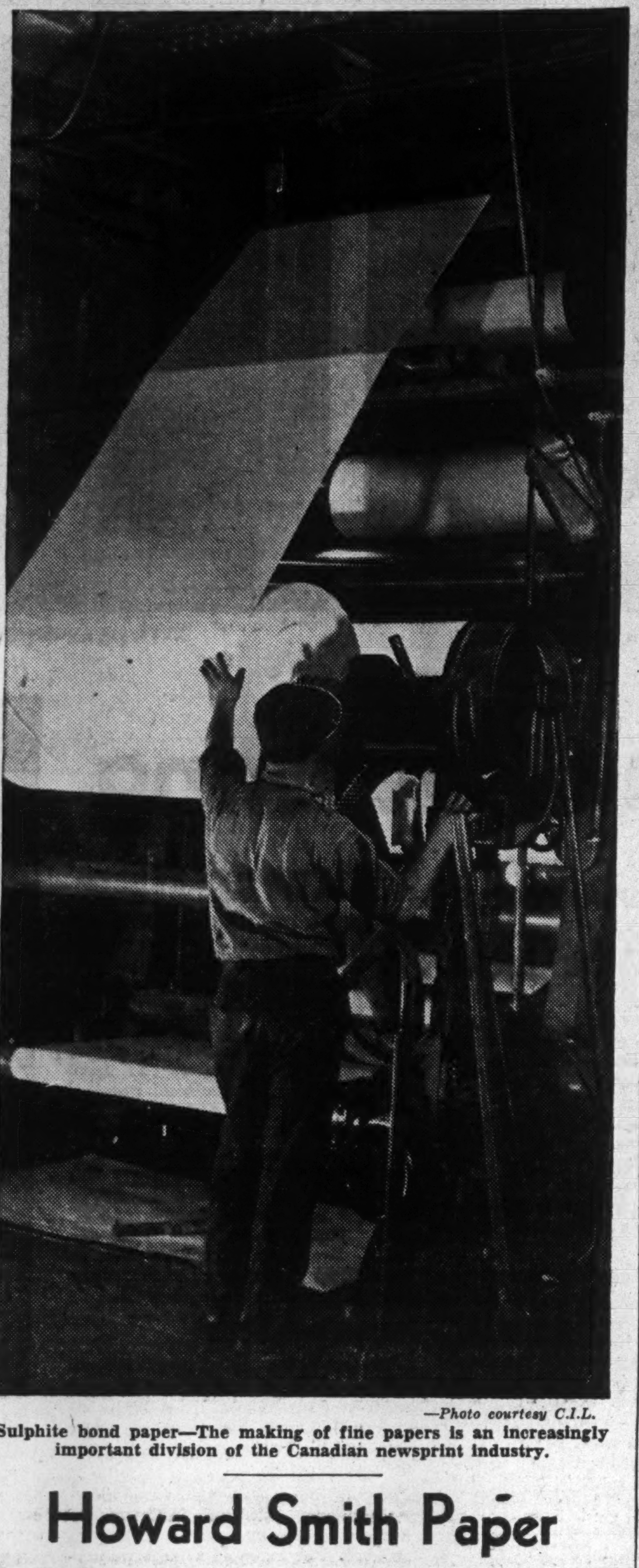
Provincial Paper Limited is controlled by Abitibi Power & Paper Co. It makes high-grade book, bond, coated and writing papers at its plants at Georgetown, Thorold, Mille Roches, and Port Arthur. Total capacity of all the company's plants is about 190 tons per day.

Provincial Paper has a record of consistent earnings and has paid dividends on its preferred stock regularly since it was issued in 1927. No regular payments have been made on the common, all of which is held by Abitibi, but 90 cents was paid in 1937, none in 1936, $1 in 1935 and 1932 and $1.25 in 1930.

Financial position is strong, working capital amounting to $2.7 millions at the end of 1937 compared with $2.5 millions in 1936. On Nov. 1, 1938, the company will redeem $449,500 of its 5½% first mortgage bonds, bringing the outstanding amount down to about $3.4 millions from the original amount issued of $5.3 millions.

Earnings of the company are not subject to as wide fluctuations as are those of the newsprint industry but vary more nearly in accordance with general business trends. Though it is probable that profits will hardly reach last year's level for 1938, it should still be possible for the company to earn its preferred dividends by a fair margin.

Directors—S. F. Duncan, pres.; T. A. Weldon, vice-pres.; G. T. Clarkson, L. E. Wilson, A. F. White, E. R. Wood, W. H. Smith, G. S. Niven, T. Broadhurst; all of Toronto. Sec.-treas.—W. S. Barber.



—Photo courtesy C.I.L.

Sulphite bond paper—The making of fine papers is an increasingly important division of the Canadian newsprint industry.

Howard Smith Paper

For the first six months of the current year Howard Smith Paper Mills sales were about 20% below those of the corresponding period of 1937, but compare favorably with those of 1936.

Profits for the year are below the 1937 level, but ahead of the corresponding period of 1936, despite the increase in labor costs. The main factor contributing to the better showing this year than in 1936 are the expansions and improvements in the company's plants and the lower interest charges due to refunding operations and the reduction of the company's funded debt.

In common with other fine paper producers, the company's operations are sensitive to the trend in general business conditions in the country. Prospects of an upturn in Canadian business during the balance of the year are fairly promising. Whether or not the expected improvement materializes depends, in part, upon the course of business in the United States and the general international situation. While the latter has not been too encouraging of late, other factors continue along favorable lines. Fine paper sales in the next three or four months, therefore, are expected to show an advance. However, it is doubtful if the improvement will be sufficient to offset the decline recorded previously.

Complete Expansion Programme

The expansion programme undertaken by the company to increase productive capacity of the chemical pulp mill is complete. Mill capacity has been increased from 275 tons daily to 375 tons. This added capacity makes available for sale in the open market about 200 tons daily of high-grade pulp, comprising mainly bleached kraft, sulphite and soda pulp.

At present Howard Smith Paper Mills operate seven paper mills with 15 paper machines; 4 chemical pulp mills; one electrolytic bleach plant; two bag factories and converting plant; two coating mills and 14 jobbing houses in 8 cities.

Operations of Howard Smith Chemicals, subsidiary formed in 1936, are stated to be satisfactory. This company manufactures vanillin, a chemical used as a base for flavoring extracts. It is made from a byproduct of the parent company in the manufacture of pulp and paper.

Earned $2.10 a Share

Last year earnings of Howard Smith Paper Mills amounted to $2.7 millions, the best reported in some time. Net profits were equal to $2.10 a share on 329,663 shares of common stock, as compared with 66 cents a share on 274,648 shares the year before.

The expansion programme carried out by the company at Cornwall and Windsor mills, together with the purchase of additional pulpwood limits, involved an expenditure of more than $2 millions. In addition, bonds and mortgages were reduced in 1937 by $271,000 the amount of first mortgage bonds now outstanding being $6,050,000.

With the exception of $430,000 which was borrowed from the bank on a long term, the company was able to finance these expenditures from its own resources. Bank loans at the end of 1937 totalled $1,250,000 as against $820,000 in the previous year. Arrangements have been made for repayment of these loans over the next two or three years.

Control Canada Paper

During the year the balance of the outstanding shares of Canada Paper Co., excepting 150 preferred shares, was acquired, for which Howard Smith Paper Mills issued in exchange 16 preferred shares and 55,015 common shares. This transaction necessitated an increase in Howard Smith's authorized common stock from 300,000 to 400,000 shares.

Directors—Harold Crabtree, pres.; E. H. Smith, vice-pres.; Sir Herbert Holt, E. R. Decary, J. W. Pyke, W. A. Tarbuckle, Howard Murray, J. D. Johnson, G. M. McKee, W. D. Robb, W. H. Howard, Montreal; J. H. Gundy, C. L. Burton, Toronto; George Chahoon, Jr., Grand-Mère, P.Q. Vice-presidents—E. K. Robinson, George Pauline. Sec.-treas.—K. G. Pendock. Asst. sec.-treas.—M. G. Peterkin.

Canada Paper

Practically all capital stock of Canada Paper Co. has now passed into the hands of Howard Smith Paper Mills. Last year the balance of the outstanding shares, excepting 150 preferred shares, were acquired by the latter in exchange for 16 preferred shares and 55,015 common shares of its own stock. This gives Howard Smith complete ownership of the common and over 99% of the preferred.

No official statement has been issued by Canada Paper Company as to current operations. It is understood, however, that returns are along the lines of those of the parent company. While there is a difference in the type of products produced by the two organizations, still the same factors affect the demand.

Canada Paper manufactures book and writing paper, but it is primarily engaged in the production of paper specialties. Expectations are that the statement for 1938 may show a lower income than 1937. Still the returns are expected to be above the average of recent years.

Last year the company reported an operating revenue of $697,520. This was one of the best years ever reported by the company. Net profit after all senior charges, including depreciation and bond interest, amount to $318,525. This compared with $148,680 in 1936 and $83,025 in 1935. The marked improvement in earning power enabled the company to reduce its deferred bank loans to $100,000 and set up an earned surplus of $282,644. For a number of years previously the company had been showing a deficit in its surplus account.

Rolland Paper

Earnings and sales of Rolland Paper Co., one of the more important fine paper manufacturers in the Dominion, are expected to show a minor reduction this year as compared with 1937. Over a period of some time this company has demonstrated its ability to maintain earnings on a consistently even level. Thus between 1935 and 1937 net operating profits varied as between $423,384 and $437,494.

Financially the company has always occupied a strong position. Throughout the depression years it showed very little fluctuation in its net working capital position, current assets exceeding current liabilities by around $1 million.

While sales were higher and bond interest requirements smaller, net profit in 1937 was only slightly higher than in the previous year. Earnings on the common stock amounted to 95 cents a share as compared with 88 cents a share the year before. Higher costs of raw materials and labor, and provision of $14,311 for writing down inventory of raw materials to market value, were the reasons for the failure of the profits to show greater increase.

Pay Regular Dividend

Since the fall of 1936, the common stock has been on a regular dividend basis, 25 cents a share being paid quarterly. It is not anticipated that the returns in the current year will result in any change in the rate of disbursements.

An interesting feature of the financial statement as at the end of last year was an increase of more than $100,000 in inventories which stood at $727,958. Reflecting this, the company showed a bank loan of $100,000. This is the first time the company has reported borrowing from the bank in many years.

Directors—Jean Rolland, pres., Montreal; J. Pierre Rolland, W. C. Pitfield, vice-pres., Montreal; Olivier Rolland, mill exec., Mt. Rolland, Que.; J. A. Raymond, J. A. Weldon, Hugh Mackay, J. B. McCarthy, Montreal; Jean Paul Rolland, St. Jerome, Que.; J. Y. Murdoch, Toronto. Sec.-treas.—J. A. Forget.

Westminster Paper

Westminster Paper Co. manufactures wrapping papers, decorative papers, plain and printed papers and many other lines. An important line is the manufacture of colored wrappers for fruit and other products. Its plant at New Westminster, B.C., was constructed in 1930 and has an estimated annual capacity of 10,000 tons.

In the six months ended Jan. 31, 1938, the company had a net profit of $23,130, almost equal to the $29,865 reported for the 12 months ending July 31, 1937. On its common stock the last six months' earnings were equivalent to 48 cents a share while 50 cents a share was paid in dividends. At the end of January the company had $204,500 in funded debt, of which $74,500 was held by the trustee for sinking fund plus $5,472 in cash.

Net sales of $822,830 for the year ended July 31, 1937, were the largest in the company's history up to that date. The company's products are sold in Canada and exported to 17 other countries. A subsidiary operates a plant making similar products at Bellingham, Washington.

Directors—J. J. Herb, pres.; E. M. Herb, vice-pres. and mgr.; Bellingham, Wash.; F. F. Foote, treas.; J. G. Robson; F. J. Hume; New Westminster; S. A. Lake, K. Walkem, F. Smith, F. Wright; J. A. Courtney, Vancouver. Sec.—J. N. Turvey.

Interlake Tissue

Interlake Tissue Co. makes an extensive line of paper specialties at its plant at Merritton, Ont. Among its products are napkins, towels, decorator's crepe and other similar products. It is understood that demand for such specialties does not vary to any great extent from year to year and that this has permitted the company to maintain an even scale of operations with steady profits.

The company's capital has been provided privately and there is no direct public investment interest in the enterprise. As financial statements are not published, a complete review of the operations is not possible.

Don Valley Paper

Don Valley Paper Co., Toronto, is a maker of various lines of paper specialties including, Bristol, index, blotting, tag and folder papers. One of the smaller units in the industry and operating in a specialized line, the company has escaped the more serious problems faced by the larger units.

Sales so far this year are understood to be not quite up to last year's level but on the whole are regarded as quite satisfactory. The early part of 1937 was somewhat above normal for this company and a tapering off started about the middle of the year.

Don Valley Paper Co. has carried out a number of improvements to its plant, partly this year and some last year. These include an enlarged drier section of the paper machine and a new calender stack. As a result the company has a modern and efficient plant which will give improved production and better products.

Investment interest in Don Valley Paper is limited and the company is privately financed and controlled.

Directors—N. E. Wainwright, pres.; R. H. Joyce, vice-pres.; J. MacKenzie, supt. and dir.; R. I. Finlay, A. B. Mortimer.

Fine Paper & Specialties

Stocks:	Outstand. $	Earned Per Share 1937 $	Earned Per Share 1936 $	Div. Rate $	Price Range 1937-38 High	Price Range 1937-38 Low	Last Price	Yield %
Don Valley Paper:								
7% Pref., par $100	679 shs.	....	....	nil	..	..	..	..
Common, n.p.v.	2,967 shs.	....	....	nil	..	..	..	..
E. B. Eddy:								
Common, par $100	300,000	....	....	†	..	..	..	..
†Not made public.								
Fraser Companies:								
Common, n.p.v.	371,016 shs.	2.05	0.27	nil	50	9	11½	..
Restigouche:	(See under Pulp Section).							
Fraser Paper:								
Common, n.p.v.	*	....	....	....	..	..	..	..
*Pledged as security for parent company's first mortgage bonds.								
Canada Paper:								
Pref. cum., par $100	*1,250,000	25.48	11.89	nil	..	..	..	..
Common, par $5	*100,000	....	....	nil	..	..	..	..
*12,350 shares of preferred and all of common shares owned by Howard Smith Paper Mills.								
Alliance Paper Mills:								
Pref. cum., par $100	1,003,500	Not available		nil	..	..	..	..
Common, n.p.v.	100,000 shs.			nil	..	..	..	..
1,833 shares of preferred and 99,956 common shares held by Howard Smith Paper Mills.								
Interlake Tissue:								
Common, par $100	625,000	Not available		nil	..	..	..	..
Provincial Paper:								
Pref. cum., par $100	3,500,000	9.74	11.38	7.00	..	..	..	..
Common, n.p.v.	*100,000 shs.	0.96	1.53	†0.90	..	..	..	..
*All held by Abitibi Power & Paper Co.				†Paid in 1937.				
Rolland Paper:								
Pref. cum., par $100	1,500,000	9.79	9.50	6.00	106½	95	100	6
Common, n.p.v.	60,001 shs.	0.95	0.88	1.00	31	14½	16	6.2
Westminster Paper:								
Common, par $10	477,890	0.62	0.46	0.50	..	..	..	..

Bonds:	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1937	Times Int. Earn. After Deprec. 1936
Fraser Companies:					
1st Mtge., Series 1936	6	1950	*7,713,000	2.96	1.24
*In addition $2,322,000 held by bank as security for special loan and $491,500 held by trustee.					
Restigouche:	(See under Pulp Section).				
Fraser Paper:					
1st Mortgage	6	....	*2,500,000	....	....
General Mortgage	6	....	*7,500,000	..	....
*Pledged as security for parent company's first mortgage bonds.					
Howard Smith Paper Mills:					
1st Mtge., Serial	3-4	1938-46	2,750,000	4.85	†2.82
Do., Series A	4¼	1951	3,300,000		
†After mortgage interest.					
Canada Paper:					
1st Mtge., Serial A	3-3½	1938-45	1,000,000	5.55	3.66
	4¼	1952	700,000		
Provincial Paper:					
1st Mtge., A	5½	1947	*3,849,500	2.87	3.06
*$449,500 to be redeemed on Nov. 1, 1938, for sinking fund purposes.					
Rolland Paper:					
1st Mortgage:					
Series A	3	1938-39	150,000	2.98	2.49
Series A	3½	1940-42	225,000		
Series A	4	1943-46	300,000		
Sinking Fund bonds	4½	1951	1,400,000		
Westminster Paper:					
1st Mtge. S. F. Debs.	6½	1950	*204,500	5.04	3.16
*$74,500, plus $5,472 cash, held by trustee for sinking fund.					

Fraser Companies

Earnings of Fraser Companies and its subsidiary declined in the first half of the current year. For the third quarter there were signs of a slight improvement, so that any material change will have to come about in the last quarter of the year.

For the first half of 1938, net income, before providing for income taxes and subject to adjustment on audit, amounted to $109,307. This was equal to 29 cents a share on the common stock, compared with $1.45 a share for the like period of 1937.

Net Down $389,722

The decline in net earnings reflects lower sales of the company's products. Operating income at $1,088,052 was down $389,722. Fixed charges declined, but provision for depreciation was increased by about $50,000.

Operations in the second quarter resulted in a deficit, after providing for depreciation, depletion and interest charges. For the first three months of the year the company reported consolidated net income of $142,999. As consolidated income for the first six months is shown at $109,307, it appears there was a net loss of $33,622 in the second quarter.

So far the company has not reported returns for the third quarter. The deficit may be slightly larger than it was in the second quarter, though there was a tendency of conditions to improve toward the end of the period.

Set New High in 1937

Last year volume of sales reached a new high. Every operating division showed a profit. The Restigouche pulp mill operated at capacity throughout the year, while the Madawaska paper mill met an extremely active demand during the first ten months of the year.

Earnings were the best in history, net profit amounting to $759,552 as against $94,974 in 1936. Profits on the common stock were equivalent to $2.05 a share as against 27 cents a share in 1936. Interest was earned 5.76 times on Restigouche bonds and 2.96 times on Fraser Companies bonds, in each case after depreciation.

More Encouraging Signs

Fraser Companies does not manufacture newsprint, but derives its income principally from the sales of lumber, fine paper, paperboard and sulphite pulp for the manufacture of artificial silk. In respect to these varied activities, the results to date show that the market for lumber has been only fair, while sales of fine paper and paperboard have reflected the general tendency toward easiness in the business situation. Sulphite pulp, which is an important source of revenue, has had an off-year, due to the fact that the rayon manufacturers over-produced, while the demand for textile fabrics of all kinds has shown an abnormal softness during the summer months. However, in all branches of the trade, except lumber, recent signs have been more encouraging and prospects are that results for the final quarter of the year will be on a better basis than in the preceding nine months.

Directors—K. S. Maclachlan, pres. & gen. mgr., Edmundston; Donald Fraser, vice-pres., Plaster Rock; Harold Crabtree, A. H. Campbell, A. M. Irvine, H. P. Thornhill, Montreal. S. F. Duncan, E. G. Long, Toronto; F. C. Beatteay, Saint John, N.B.; Hon. R. B. Hanson, Fredericton. Vice-pres. i/c fin., treas. & sec.—L. M. Sherwood.

Executive Committee — Harold Crabtree, chm.; A. M. Irvine, K. S. Maclachlan.

New Brunswick Limits Stumpage Rate Concession

From Our Own Correspondent

MONTREAL.—The New Brunswick Government announces, retroactive to August 1, reductions in the stumpage rate from sawmill products, but the rate on pulpwood remains unchanged. The new rates on sawmill products are substantially lower and are expected to be of considerable aid to the lumber industry.

As regards pulpwood, the following rates are in effect: spruce, fir and princess pine, when cut in sawlog lengths for pulpwood, per 1,000 superficial feet, $4.38; spruce, fir and princess pine pulpwood, corded, peeled, per cord of 128 cubic feet, $1.75; spruce, fir and princess pine pulpwood, corded, unpeeled, per cord of 128 cubic feet, $1.61.

Paperboard Production Follows General Trend

Production of paperboard in Canada followed the same trend as newsprint until 1930. In 1931 a marked recovery took place which was accentuated in the years following to establish a new record in quantity for 1934 and new records in both quantity and value in 1935, 1936 and 1937.

TRUSTWORTHY PRODUCTS PROVEN IN ACTUAL USE

GUTTA PERCHA INDUSTRIAL RUBBER PRODUCTS

RUBBER PRODUCTS for the PULP & PAPER INDUSTRY

Gutta Percha builds hose for every industrial purpose . . . conveyor and transmission belting for every type of service . . . and scores of other essential rubber products which in actual use have proven themselves exceptionally enduring and economical.

Every Needed Type of RUBBER HOSE

Acid — Oxy-Acetylene Welding
Air Jack — Pulp Grinder (Reinforced)
Blow Pit — Sand Blast
Divers — Suction
Fire — Suction Box
Steam — Pneumatic Tool
Oil
Water

CONVEYOR BELTS: Pulp Wood, Coal, Sulphur
TRANSMISSION BELTING
ELEVATOR BELTS
DIAPHRAGMS: Flat Screen, Voith Screen, Drain Pump, Steam Trap
GASKETS: Suction Box, Steam and Water
MATS & MATTING: Door, Switchboard, To Specifications
APRON CLOTH
BAND SAW BANDS
BIRD SCREEN: Bands, Strips, Tubing
COUCH SLEEVES
DECKLE BARS
DECKLE PACKING
DECKER SLEEVES
DOCTOR BARS
FLEXIBLE COUPLING PLUGS
PACKING: Sheet and Spiral
SPRINGS: Rubber
TIRES: Truck-Wheel
TUBING: Rubber
VALVE DISCS (Radium)
VALVES: Rubber
WASHERS

GUTTA PERCHA & RUBBER, LIMITED

Branches Across Canada

HALIFAX ST. JOHN QUEBEC MONTREAL
OTTAWA • TORONTO • LONDON • WINNIPEG
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· THE BEST BUY IN TISSUE ·

The NEW SOFTER
Interlake Tissue
700 Sheets White Absorbent Tissue
Interlake Tissue Mills Co.
MADE IN CANADA
3 ROLLS 2100 SHEETS 25¢
A PURE WHITE SOFT ABSORBENT TISSUE COMPLETELY WRAPPED

DON VALLEY PAPER CO. LIMITED

The Oldest Mill in Canada — that of the Don Valley Paper Co. Limited — looks back this year over one hundred years of papermaking in the valley of the Don River at Toronto.

1837 . . . 1938

At the present time the Mill, equipped with modern machinery and thoroughly up to date, is engaged in the manufacture of Covers, Index, Bristols, Blottings, Folder and Tag Stock. Particular attention is given also to the making of high-grade specialties.

DON VALLEY PAPER CO. LIMITED . . . TORONTO

FRASER COMPANIES LIMITED
FRASER PAPER LIMITED
RESTIGOUCHE COMPANY LIMITED

Manufacturers of

LUMBER SULPHITE PULP PAPER BOARD
GROUNDWOOD PRINTING PAPER
BLEACHED SULPHITE PAPER
"RESTICOSE" RAYON PULP

Executive Office:
Dominion Square Bldg.,
Montreal, P.Q.

General Office:
Edmundston,
New Brunswick

Surplus Stocks Still Key to Newsprint Situation

Aggregate Supply Jumps 17,300 Tons in August — Prospects Are Analyzed

From Our Own Correspondent

MONTREAL. — August statistical returns for the newsprint industry were disappointing. First the manufacturers reported an increase in stocks—9229 tons. Then the publishers came along and reported an advance of 9,229 tons in reserve supply, making an aggregate of publishers and manufacturers stocks of 719,251 tons, or 17,130 tons more than at the close of the previous month.

The breaking of the favorable trend—aggregate stocks have shown a steady decline since the beginning of the year when they totalled 877,384 tons—is disheartening to those who had anticipated that the decline would be continued even though on a smaller basis.

Reason for Increase

There was practically no change in the volume of shipments last month. The increase rather than the decrease is attributed to the 17% falling off of advertising linage.

As the situation now stands the U.S. publishers have stocks of newsprint on hand equal to 54 days' supply at the August rate of consumption. The question of import to the industry and investors in newsprint securities is how long the publishers will be able to keep these excess stocks overhanging the market. Until they are reduced to normal proportions, it is obvious that the industry must work at a disadvantage.

Three Factors to Watch

Three factors will influence the rate at which the stocks are depleted. First is the volume of advertising; secondly, growth of reader interest; and thirdly, how much longer the publishers can afford to carry the excess stocks.

As regards the first factor. Seasonally and otherwise there is reason for believing that the trend of advertising will be upward. Fall advertising campaigns are about to start. The promise of better business, depending upon the European political situation, should add to the linage. The U. S. Government's spending programme should increase buying power of the American people. One way for the manufacturer to get his share of the additional buying power is to advertise.

Trend of Advertising

August advertising returns were disappointing. An analysis of Media Records Inc. measurements show that general advertising was particularly hard hit; the report on automotive advertising was even worse. But in the other field, retail, department store and financial, the volume was good in view of general conditions.

For the last four months of the year advertising should be on a better basis. However, it is too early to predict if the increase will bring the linage up to last year's figure. That is unlikely, still a gain should be recorded. Retail advertising for the first two weeks of September, for example, was only 8% below the like period a year ago. Compared with returns to date, this division's showing in the last fortnight has been the best in many a long month. So there is hope that advertising linage will increase and in turn the consumption of newsprint.

Big Stories Help

Two major stories have "broken" this month which unquestionably means a larger amount of newsprint consumption—the Hines trial in New York and the European war scare. The New York metropolitan dailies ran page after page of verbatim evidence taken at the Hines trial. Newspapers in other parts of the United States featured the case. All of which meant the use of more ink and paper.

The big news of course, has been the European political situation. Columns and pages of nearly every paper have been devoted to covering this feature. Undoubtedly some of the coverage was at the expense of other news, still an increased editorial service was given to newspaper readers.

On the other hand, the impending crisis in Europe has probably deterred many advertisers from spending money which normally would have boosted the size of newspapers.

Where Radio Influences

The point of interest and of the greatest importance is to what extent the radio has cut into newspaper reader interest. The principal radio systems have given an elaborate coverage of the European situation.

Some of the newsprint operators hold to the view that the radio coverage has only whetted the appetite for more detailed newspaper information. That view is by no means unanimous.

Whether the radio has seriously cut into the circulation of the daily paper will be known when the September newsprint figures are complete. In many ways this is an excellent occasion to test the "listening power" of the radio. The volume of newsprint consumption for September will tell not one but many stories. Over and above all, it will tell fairly clearly to what extent the modern radio set-up is a competitor of the daily newspaper in purveying news of front rank importance. Its influence on advertising is known already.

Cost of Carrying Paper

The third factor bearing upon the liquidation of the excess stocks has to do with the cost of carrying the newsprint. The publisher has tied up $42.50 of capital in each ton of newsprint he bought in 1937. Allowing a return of 6%, it is costing him $2.55 a year, or 21¼ cents a month, to carry each ton of newsprint in stock. To this must be added the cost of storage—around 50 cents a month—and insurance. The latter is a negligible amount, but the interest on capital and storage charges, amount to the important figure of 71¼ cents a month.

The publisher bought his excess supply knowing that he had a margin of $7.50 a ton to work on. At the estimated figure of 71¼ cents a month, he cannot afford to carry this surplus supply indefinitely unless he is deliberately desirous of keeping the market situation involved.

Margin is Dwindling

This surplus supply of newsprint is now being carried into the ninth month. So far it has cost him around $6.06 a ton. This figure, of course, is only an estimate but is regarded as reasonably accurate. Therefore on his original margin of $7.50, the publisher still has a "cushion" to carry his surplus paper another two months.

If this assumption is accurate then the publishers would be making a serious effort to have their stocks of newsprint paper down to normal before the end of November. Such a prospect is remote.

Eventually the stocks will be lowered. The speed with which that is done will depend upon the consumption of paper arising out of the volume of advertising and increased reader interest. Militating against is the possibility that some of the publishers have changed their policy and are holding an increased reserve as an insurance against interruption of supplies or increase in price due to possible war-time conditions.

These are the unknown factors. The known facts are that the favorable trend in newsprint stocks has been rudely jolted and that earlier forecasts of a return to normal of newsprint stocks by the early fall were too optimistic.

Saint John River Drive Now Placed at 75,000 Cords

From Our Own Correspondent

MONTREAL.—Present estimates are that about 75,000 cords of pulpwood have been driven down the Saint John River and tributaries this season.

Port Royal Pulp and Paper Co. assembles about 55,000 cords from the Upper Saint John River and drove this quantity in two lots to the Mitchell boom at Lincoln, about 80 miles up the river from Saint John. The logs will be towed to the company's plant at Fairville.

Grant and McLean, Saint John, drive 10,000 cords out of the Nashwaak and John Brawn, Saint John, 10,000 cords out of Keswick.

From the pulp pile comes an increasing range of products as the age of cellulose dawns.

Pulp and Paper on the Upswing

(Continued from page 17)

and wages of the workers; limit the size of tree that can be cut; impose a stumpage fee and ground rent for the use of timber limits. They place a tax on capital and another one on earnings. They influence policies; in fact there is very little that they cannot do and do not do.

Must Limit New Mills

By far the most important policy they can adopt is to see that no more mills are built until existing mills can develop to such a position that they can protect their present investment.

Neither the provincial governments, the industry, the pulp and paper worker or the investor want to see a repetition of the mad scramble for new mills which characterized the last boom and which threatened to be repeated last year in Ontario.

The governments could extend help in other directions. Stumpage dues and ground rents should be correlated to the selling price of pulp and paper. To the present these charges have been considered as a source of revenue. Admittedly the governments are entitled to a revenue from the Crown lands leased, but such revenue should be determined on a basis which will permit the industry to hold its place in the international markets. Only by so doing can steady employment be provided and the welfare of the communities dependent upon the industry be maintained.

Then, too, there is the matter of regulations governing woods operation; hours of labor and wages. On more than one occasion regulations have been laid down more for political reasons than for the good of the industry, the workers or the proper exploitation of the pulpwood resources.

The consolidation work that has been going on in the industry in recent years can be of permanent value only if all interests work closely together. The progress made from within the industry has been impressive. It can be made more so with the active support of the provincial governments, especially if they reach a common understanding that no new plants will be permitted until those already established are on a firmer foundation as regards their operations and earnings.

The Outlook for Canada's Newsprint Industry

Canada holds unquestioned leadership among world producers of newsprint. Through timber resources, water powers and proximity to the world's most important markets for its product, Canada's newsprint industry holds a very strong position.

During the past year the cooperation among leading Canadian producers has been of outstanding importance in maintaining the price structure on the higher level, and reducing inventories, which are now less than a year ago.

Consequently, the outlook for the industry to-day presents favourable aspects, which augur well for investors in this great Canadian industry.

36 King Street West
Toronto
Telephone: ELgin 4321

Wood, Gundy & Company
Limited

Supply of Pulpwood Subject to Survey

Canada has 1,095 million cords of accessible pulpwood, but less than 60% represent spruce, which is most widely used in the manufacture of pulp and paper in the eastern section. Jack pine and poplars, neither of which is utilized to any extent at present, accounts for nearly one third of the available pulpwood supply.

The distribution of the accessible pulpwood supply by types and areas follows:

(In thousand cords)

	Eastern Canada	Prairies	B.C.
Spruce	480,386	51,216	38,042
True Firs ...	146,494	1,880	22,942
Hemlock	4,173	......	51,478
Jack & Lodge-pole pines .	85,711	65,942	23,587
Poplars	30,450	91,814	1,138
Total	747,214	210,852	137,187

Industry Helps Railway Traffic

Pulp and paper, as well as pulpwood, constitutes an important division in the revenue freight carried by the Canadian railways. In the last five years this traffic has more than doubled. Currently the volume of traffic has fallen off, but the returns for the full year are expected to compare favorably with those for 1936.

The manner in which this traffic has grown in late years is shown in the table below:

Canadian Railway Loadings
(In tons)

	Pulpwood	Pulp & Paper
1933	1,381,734	2,386,532
1934	1,988,500	2,854,581
1935	2,087,316	3,047,769
1936	1,905,197	3,428,582
1937	2,561,771	3,999,893

Groundwood in Lead

Groundwood pulp formed almost two thirds of the total quantity of pulp made in Canada last year.

U. S. Advertising Trend Turn Back

From Our Own Correspondent

MONTREAL.—Media Records Inc. figures for 52 American cities show a loss in total advertising for August of 17%, which is slightly below the July figures, according to Editor and Publisher. Every classification except general, automotive and financial showed linage increases in August over July. However, in percentage of 1937 figures, all classifications except financial were off from the July percentage.

Total advertising linage in August was 86.1 millions as against 103.7 millions for the same month a year ago. Retail advertising at 49.3 million lines was off 13.2% from a year ago; departmental store, 20.5 million lines, a decline of 11.5%; general advertising 12.2 million lines, off 26.4%; automotive 2.6 million lines, a decrease of 15.2%; and financial, 1.3 million lines, a decline of only 6.1%.

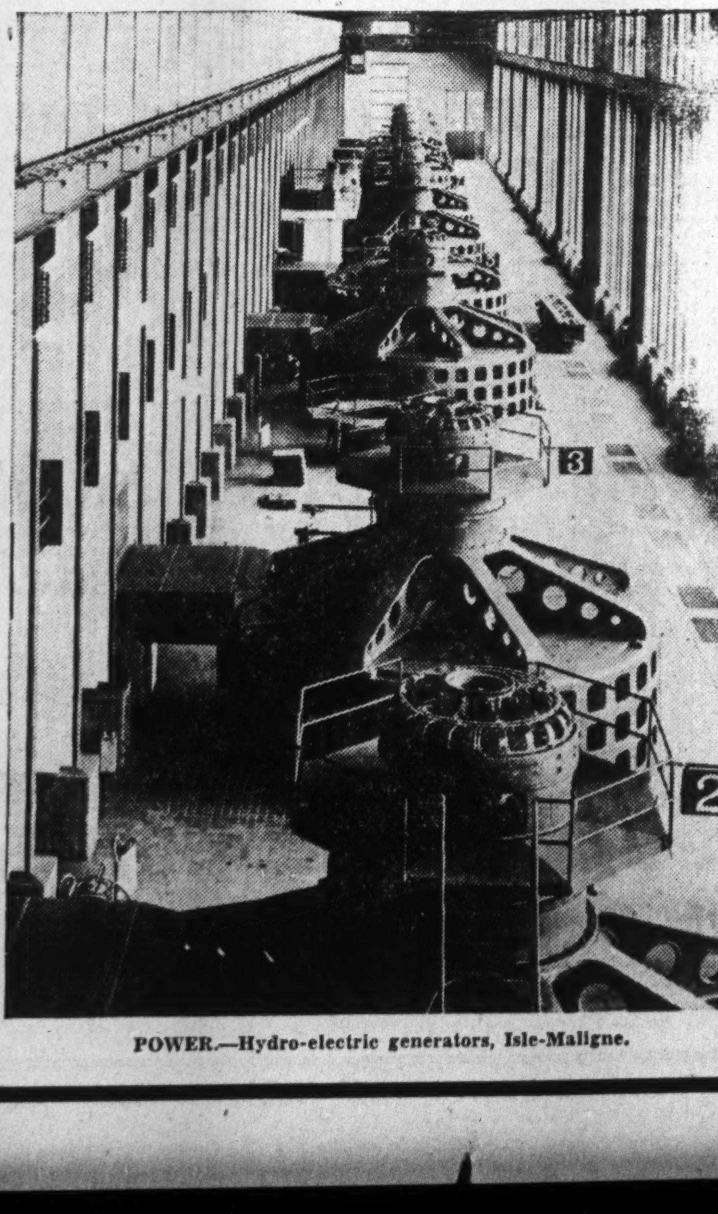
August Returns Upset Long Trend

From Our Own Correspondent

MONTREAL.—For the first time in six years the apparent consumption of newsprint paper in the United States did not show a seasonal increase. On the basis of figures issued by the American Newspaper Publishers Association, the apparent consumption in August was 250,209 tons, as against 253,699 tons in July. Last year consumption advanced from 284,217 tons in July to 287,464 tons in August.

For the year to date apparent consumption of newsprint in the United States has amounted to 2,217,000 tons compared with 2,561,000 tons for the same period in 1937.

FOREST.—Hauling logs to waterway.



POWER.—Hydro-electric generators, Isle-Maligne.

PRICE BROTHERS & COMPANY LIMITED

Newsprint and Board Mills

Kenogami Paper Mills . (8 Machines)
Riverbend Paper Mills . (4 Machines)
Jonquiere Pulp Company (2 Machines)

Saw Mills

Rimouski
Metis
Matane
Etchemin

Price Brothers Newsprint and Lumber is exported to:

United Kingdom
Northern Ireland
Australia
India
British West Indies
Puerto Rico
Panama
Nicaragua
Argentina
Uruguay
Peru
Venezuela
United States
New Zealand
South Africa
Egypt
Cuba
Mexico
Honduras
Curacao
Brazil
Chile
Ecuador
Colombia

Additional products:

SULPHITE BLEACHED SULPHITE
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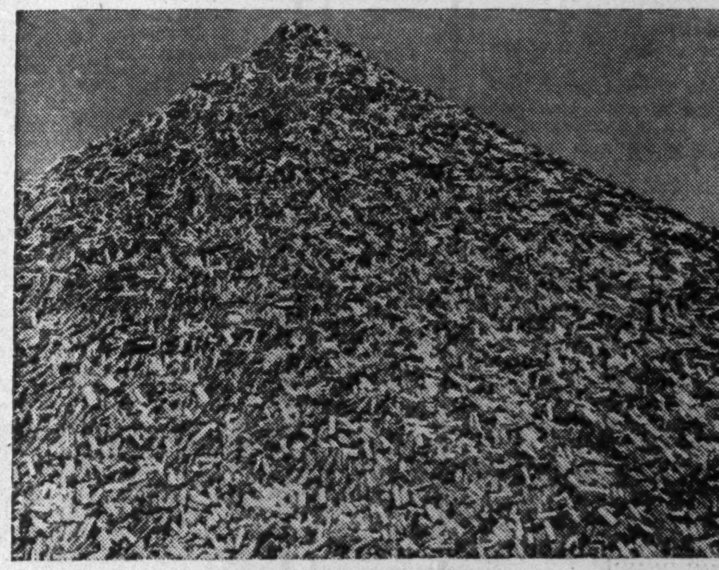

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SHIPPING ROOM.—Electric trucks carry these rolls to the freight cars; in a few days or weeks they will be in the press room.

Newsprint Industry Moving Ahead

Situation Shows Signs of Return to Normal as Surplus is Reduced

Consumption of newsprint paper, as judged by the returns for the United States — Canada's largest newsprint market—has kept up remarkably well. Yet newsprint production has dropped sharply in the last eight months. The drop has been greater than the decline in production. The reason is to be found in the excessive stocks which the publishers built up last year. Since the beginning of the year they have been drawing upon these stocks to meet current requirements.

Had the supply of newsprint on the American continent been of normal proportions at the beginning of the year, both mill operations and earnings of the Canadian manufacturers this year would have been appreciably better than they have been to date. As it is, the mills have operated at little better than half capacity and profits have been limited. Even with the anticipated betterment during the closing months of the year, financial returns for 1938 are not going to be as good as in 1937, which was one of the best years on record.

Stock Up With Paper

In the early part of last year the newsprint operators announced that the price of newsprint on 1938 deliveries should be increased $7.50 a ton. It did not require any particular foresight on the part of the publishers to see that it would be money in their pocket to store paper against needs in 1938.

From May on the United States publishers took all the paper they could secure from the manufacturers. Stocks increased rapidly. In May the publishers reported a supply of 410,540 tons. This was of normal proportions. By the end of the year stocks were up to 766,758 tons. This was not normal. Far from it. The publishers had accumulated nearly 400,000 tons more than they required for normal operations.

Played Long Game

The game that was being played by the American publishers became apparent long before the end of year. Storm signals were out, but the publishers could not be prevented from buying far beyond what was needed.

The manner in which the American publishers piled up stocks is shown in the following table, covering all of 1937 and 1938 to date. It will be noted how the publishers have drawn upon these stocks during the current year to meet their requirements and now have them within striking distance of normal proportions:

Stocks of Newsprint Publishers

	1938	1937
January	697,353	382,855
February	629,576	572,528
March	548,630	379,943
April	510,905	397,709
May	472,571	410,540
June	436,696	436,434
July	429,541	496,414
August	......	544,799
September	......	601,534
October	......	635,145
November	......	693,753
December	......	766,758

Trend of Mill Stocks

Efforts were made to meet growing publishers' stocks and by the end of 1937, manufacturers' mill stocks had been reduced to 110,626 tons. Since the beginning of the year manufacturers' stocks have climbed, offsetting in part the reduction of publishers' stocks and thus deferring, by the difference, the length of time necessary to bring the supply of paper back to normal proportions.

The advance in mill stocks was helped along by the desire of the mills to provide as much work as possible for their employees. The industry calculated the likely trend of consumption, the surplus quantity of paper held by the publishers and set an arbitrary rate of production. For the first half of the year this rate was too high. Now it is beginning to get in line. However, the fact remains that manufacturers' stocks also are in need of some reduction.

Trend of mill stocks since the beginning of 1937 follows:

Stocks of Newsprint Manufacturers

	1938	1937
January	185,181	189,502
February	232,220	246,786
March	285,004	267,830
April	279,325	252,134
May	294,949	275,458
June	287,443	278,400
July	272,580	299,172
August	287,443	299,525
September	......	313,795
October	......	285,545
November	......	208,128
December	......	110,626

Picture as a Whole

A better picture of the manner in which newsprint stocks accumulated is shown in the table below covering the aggregate of stocks in the hands of the publishers and manufacturers. While the question of what is a normal supply cannot be answered by any rule of thumb method, an adequate supply for current rate of consumption would probably be around 550,000 tons all told. At the end of July stocks were reported at 702,000 tons. It would appear, therefore, that stocks may have to be reduced by 150,000 tons before production and shipments are again in line with consumption. It should be emphasized that no figure on the normal supply can be too rigid. The Newsprint Association of Canada sets the figure higher—nearer 600,000 tons. If that is the "normal" then the stocks need only be reduced by 100,000 tons.

Stocks of Newsprint in North America

	1938	1937
January	882,534	572,357
February	861,796	619,314
March	833,634	647,773
April	790,230	649,843
May	767,520	685,998
June	724,139	714,834
July	702,121	795,586
August	......	844,324
September	......	915,329
October	......	920,690
November	......	901,881
December	......	877,384

Trend More Favorable

The point of importance is not the size of the stocks, but whether they are increasing or decreasing. Fortunately, for the newsprint operators, the trend has been favorable. While the rate of progress slowed in July, still it is hoped that by the end of October, the aggregate figure will be near the mythical normal.

Meanwhile, the effect which these surplus stocks have had on operations of the Canadian newsprint mills is to be seen in the production returns. Since the beginning of the year, average monthly production has been just above 200,000 tons, whereas in all of 1937 the average return was better than 300,000 tons monthly.

The decline in production is not fully accounted for by the draw down from reserve stocks. Business in the States has fallen off this year. So has advertising. This has affected the consumption of newsprint paper by better than 12%, as compared with the 1937 returns. If these two factors are taken together, then the drop in production is accounted for.

The trend of newsprint production in Canada by months since the beginning of 1936 follows:

Newsprint Production in Canada

	1938	1937	1936
January	222,500	289,634	228,350
February	202,601	276,419	222,330
March	224,604	302,268	245,699
April	200,794	296,624	260,453
May	207,678	310,650	270,273
June	201,694	312,165	272,735
July	202,546	316,194	275,183
August	220,303	319,876	272,851
September	......	312,220	272,830
October	......	315,477	304,604
November	......	302,878	289,031
December	......	293,395	294,677

Approximate 1936 Level

Figures on 1936 production have been put in the foregoing table for the purpose of bringing out an interesting and significant point. It will be noted that in comparing production by months for the first seven of 1938 with the like period in 1936, there was a drop of 313,606 tons. From the beginning of January to the end of July publishers' stocks decreased by 337,217 tons. One counterbalances the other.

The significance of this is that the record newsprint production in 1937 was made at the expense of 1938. Had not the publishers built up a surplus reserve, then production for 1938 would have been on much the same basis as in 1936 and considerably above the figures reported so far this year.

Needs Above Average

The proof of this is readily apparent. But if further proof were required it is only necessary to glance at the consumption figures for 1936, 1937 and 1938. The amount of paper used, as shown below, in the first seven months of 1936 was not far above that for the same period this year.

Newsprint Consumption in United States

	1938	1937	1936
January	290,230	312,746	275,037
February	263,750	297,101	269,484
March	300,215	342,175	319,655
April	296,635	340,776	313,301
May	295,711	346,152	322,590
June	267,803	320,390	300,865
July	252,301	284,217	268,926
August	......	287,464	279,584
September	......	317,054	305,084
October	......	352,209	343,147
November	......	307,480	359,469
December	......	316,877	334,804

The difficulties of the Canadian newsprint industry—low operating ratio, high costs and restricted earnings—this year are not due so much to a falling off in publishers' requirements as they are to the market disruption caused by the building up of excessive stocks in the last eight months of 1937.

Foresee Better Times

Returns of the industry so far this year have not been very encouraging—either to the operators or investors. But there are more reasons for optimism than pessimism over the outlook.

In the first place, the trend of stocks is favorable. The trend of consumption, too, has shown signs of a more favorable turn. For the first time since the beginning of the year, the July consumption showed a reversal of the trend of increased declines as compared with last year.

Operators Stand Together

Finally the manner in which the industry has held together during the past period has been a healthy factor. One or more of the operators might have adopted an independent course. That they have stood together and followed a common policy strengthens faith in the industry.

Given a fair volume of business and with the base price of newsprint at $50 a ton, the Canadian manufacturers can operate profitably. By the end of this year, if not before, production and consumption should be correlated on a level comparable with that of 1936. If the advertising trend turns favorable then the publishers' requirements in 1939 may be a little higher.

Phophesying for the newsprint industry is at best a tricky business, but present indices clearly point to a better year in 1939 than, as far as can be seen, is likely to be the case for 1938.

Newsprint Group

Stocks:	Outstand. $	Earned Per Share 1937 $	Earned Per Share 1936 $	Div. Rate $	Price Range 1937-38 High	Price Range 1937-38 Low	Last Price	Yield %
Abitibi Power & Paper:								
7% Pref. cum., par $100	1,000,000	....	....	nil	97	25	..	..
6% Pref. cum., par $100	†34,881,800	....	....	nil	80	8½	18	..
Common, n.p.v.	*1,088,117 shs.	....	....	nil	15⅛	1	2¾	..
*Including 95 shares deposited for exchange of shares of subsidiary companies. †Including 289 shares deposited for exchange of shares of Spanish River Pulp and Paper Mills.								
Anglo-Canadian Pulp & Paper Mills:								
1st Pref., par $100	8,000,000	Not available		nil	..	..	..	..
Common, n.p.v.	135,000 shs.							
Anglo-Newfoundland Development:								
Ord. shs., par $5	7,264,500	Not available		....	..	..	..	..
Bathurst Power & Paper:	(Refer to Kraft Section).							
Brompton Pulp & Paper:	(See St. Lawrence Corp.).							
Canadian International Paper, Ltd.: (Controlled by International Paper Co.):								
Common, par $100	10,370,500	....	....	....	..	..	..	..
Canadian International Paper: (Controlled by Can. International Paper, Ltd.):								
Common, par $100	*10,000,000	d6.86	d18.37	....	..	..	..	..
*All owned by International Paper Co.								
Consolidated Paper:								
Common, n.p.v.	2,308,789 shs.	....	....	nil	24½	3½	6¼	..
Donnacona Paper:								
Class A, n.p.v.	253,484 shs.	0.11	nil	nil	19½	3¼	5¼	..
Class B, n.p.v.	123,088 shs.				19	3½	3½	..
E. B. Eddy:	(See Fine Paper Section).							
Great Lakes Paper:								
Cl. A, pref., n.p.v.	100,000 shs.	1.23	....	nil	53¾	15	15	..
Cl. B, pref. n.p.v.	100,000 shs.			nil	..	..	..	..
Common, n.p.v.	100,000 shs.			nil	26¾	4¾	8¾	..
Lake St. John Power & Paper.								
Pref. non-cum. red., par $100	*1,800,000	10.98	5.72	6.00	..	..	..	..
Common, n.p.v.	*100,000 shs.	0.90	d0.05	nil	87	13	20	
All preferred and 51,469 common shares held by St. Lawrence Paper Mills. 24,811½ common shares owned by St. Lawrence Corp.								
Maclaren Power & Paper:								
Common, n.p.v.	500,000 shs.	nil	nil	nil	37¼	7	10½	..
Mersey Paper:								
Pref. cum. red., par $100	5,000,000	nil	nil	nil	..	..	..	..
Common, n.p.v.	150,000 shs.	nil	nil	nil	..	..	..	..
Minnesota & Ontario Paper:								
Pref. cum. part., par $100	4,036,000	nil	nil	nil	..	..	..	..
Com. 6% cum., par $100	10,092,000	nil	nil	nil	..	..	..	..
Pacific Mills:								
Pref. 6%, par $100	1,998,900	....	....	6.00	..	..	..	..
Common, par $100	75,000 shs.	....	....	4.00	..	..	..	..
Price Bros.:								
Pref. cum., par $100	6,284,300	*d4.68	nil	nil	79	34	45	..
Common, n.p.v.	4 543,716 shs.	*d1.19	nil	nil	53	8⅝	13¾	..
*Year ended Mar. 31, 1937.								
St. Lawrence Corp.:								
Pref. cum. conv. red., A, par $50	14,888,650	....	....	nil	39¾	8½	13¾	..
Common, n.p.v.	579,062 shs.	....	....	nil	15¼	2⅝	4¼	..
St. Lawrence Paper:								
6% pref. cum., par $100	14,225,600	1.16	*1.68	nil	98	24	41	..
Common, n.p.v.	514,675 shs.	d1.34	*d1.20	nil	..	..	..	..
*Before depreciation or depletion.								
Brompton Pulp & Paper:								
Common, n.p.v.	*300,000 shs.	1.34	0.39	nil	..	..	..	..
*Upon completion of exchange all the shares will be owned by parent company. As at Dec. 31, 1937, 99.3 per cent were so owned.								
Spruce Falls Power & Paper:								
1st pref. 7% cum., par $100	8,900,000	4.18	nil	nil	..	..	..	..
2nd pref. 7% cum., par $100	5,000,100	nil	nil	nil	..	..	..	..
Common, n.p.v.	200,000 shs.	nil	nil	nil	..	..	..	..

Bonds:	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1937	1936
Abitibi Power & Paper:					
1st Mtge. Gold, A	5	1953	48,267,000	....	....
Anglo-Canadian Pulp & Paper Mills:					
1st Mtge. Debs.	5	....	£3,114,435	....	....
Anglo-Newfoundland Development:					
1st Mtge. Deb. Stock	4½	....	8,487,500	Not available	
Canadian International Paper:					
1st Mtge. Gold	6	1949	21,250,000	0.88	0.71
Ref. Mtge. Gold, A	6	1946	*23,400,000		
Ref. Mtge. Gold, C	5	1939	*2,000,000		
Floating charge bonds	6	1946	*1,000,000		
Secured Notes	5	1938	*5,000,000		
(Riordon Pulp & Paper) 1st Mtge. S. F. Debs.	6	1942	374,100		
*All owned by International Paper Co.					
Consolidated Paper:					
1st Mtge. Gold & Sterling Reg. Deb. Stock	5½	1961	*51,406,900	nil	nil
*Excluding $7,048,600 held as collateral for bank loans, $1,666,600 held by trustee.					
Donnacona Paper:					
1st Mtge. S. F. Gold, A	4-4½	1956	6,584,000	1.32	1.00
10-year Notes	5½	1947	727,500	2.50	....
Great Lakes Paper:					
1st Mtge. S. F.	5	1955	6,000,000	....	....
Lake St. John Power & Paper:					
1st Mortgage	5½	1961	5,652,600	2.34	1.99
Mtge. Debentures	5	1961	3,527,500	2.36	1.86
Mersey Paper:					
1st Mtge. S. F., A	5	1957	4,000,000	1.00	1.00
Gen. Mtge. S. F. Gold, A	6	1949	2,099,500		
Minnesota & Ontario Paper:					
1st Mtge. S. F. Gold, A	*6	1930-45	15,400,000	0.167	nil
Do., Series B	*6	1948	4,000,000		
Do., Series C	*6	1950	5,000,000		
Gold Notes	*6	1931	3,500,000		
*In default.					
Price Bros.:					
1st Mortgage Series	3	1939-40	1,000,000	*0.57	*0.81
Do., Series B	3½	1941-43	2,000,000		
Do., Sink. Fund	5	1957	12,000,000		
2nd Mtge. Conv. Debs.	†4	1957	4,060,900	nil	....
†Convertible until Mar. 1, 1947, into one common share for each $30 principal amount of debentures. *Before depreciation.					

Can. Inter. Paper

Operations and sales of Canadian International Paper Co. have been between 50 and 60% of capacity so far this year. The company does not make public particulars as to current earnings, but judged by the quarterly statement issued by the parent company, International Power and Paper Co., earnings have shown a sharp contraction for 1938 as compared with 1937. While it is possible that operations will show a pick-up during the balance of the year, it is hardly likely that earnings will be as high as they were a year ago.

Last year the newsprint mills of Canadian International Paper operated at relatively high rate of capacity. With the beginning of the current year it was necessary to restrict the output in view of falling off in demand, especially to the United States. During 1937 American publishers accumulated heavy stocks of newsprint paper in anticipation of the price advance at the beginning of 1938. The working off of these surplus stocks has held down operations in the Canadian newsprint industry. Added to the troubles of the operators, there has been a drop of about 12% in consumption.

Canadian International Paper has, in common with the other operators, been affected by the adverse trend. However, current prospects are more encouraging. It is hoped that both sales and production for the last quarter of 1938 will be on a better basis than in the last eight months.

Bigger Income in 1937

During 1937, Canadian International reported a gross income of nearly $49.5 millions. This compared with $46.2 millions in the preceding 12 months. While the cost of sales and expenses were higher, there was a net revenue last year of $8 millions as against $7.2 millions in 1936. The deficit after all charges amounted to only $698,529 compared with a deficit of $1,711,468 in the previous year.

The financial position of the company revealed a number of important changes as at the end of 1937. Outstanding was the increase in the amount owing to International Paper Co. from $11.1 millions to $17.3 millions. Less than $1 million represents an increase in deferred and accrued interest on bonds and secured notes held by the parent company. Offsetting this item was an amount of $6.9 millions owing by International Paper Co. and International Paper Sales Co. to Canadian International Paper.

During the year net funded debt was reduced from $86.1 millions to $85.4 millions. Bank loans, amounting to $674,000 and incurred on behalf of I.P. of Newfoundland and N.B. International were liquidated. The 5% secured notes of C.I.P., held by the parent company and amounting to $5 millions, were extended to March 12, 1938. It is presumed that a further extension was granted by the parent company.

Pulp Mills Slow Down

During the current year there have been a number of developments of importance. For some years past Canadian International's high-grade pulp mills at Kipawa and Hawkesbury have been a steady source of revenue. The collapse of the pulp market necessitated the closing down of the plants for a time, so that revenue from pulp sales will not be overly large in 1938.

Along these lines the company undertook an expansion programme at the Gatineau Mill, involving an outlay of $2 millions on a sulphite pulp mill. This plant has been completed, but owing to the unsatisfactory position of the pulp market, has not been brought into operation.

Sell Newfoundland Unit

The third point of importance is the sale of the company's holdings of all the capital stock of International Power and Paper Co. of Newfoundland, to Bowater-Lloyds of Newfoundland. This unit, generally recognized as an economical newsprint producer, was acquired by International several years ago. Ownership of the capital stock was eventually vested with Canadian International Paper and I.P. of Newfoundland's Cornerbrook mill operated as an integral part of the Canadian International Paper setup.

International investment in the Newfoundland property involved a capital outlay of $3.5 millions. While no dividends were ever paid on the capital stock, still it is recognized that the Newfoundland property was worth more as a newsprint producer to International than from the angle of gain on capital investment.

The capital stock was sold to Bowater for $5.5 millions and last month the property was taken over officially by the English concern.

The sale of the Newfoundland property suggested concentration of newsprint operations and a closer direction of activities to other fields which, at least in recent years, have been more profitable. Canadian International Paper now has three newsprint mills in Canada-Dalhousie, Three Rivers and Gatineau. Further, it has the sulphite mills at Kipawa, Hawkesbury and Gatineau. There are various other, but minor, subsidiary activities, but, in the main, the company's principal sources of revenue are derived from newsprint and pulp operations.

Directors—J. H. Hinman, pres., S. L. de Carteret, vice-pres. and gen. mgr.; Brig.-Gen. J. B. White, 1st vice-pres., Montreal; W. N. Hurlbut, New York, vice-pres.; H. R. Weaver, vice-pres. & treas.; R. J. Cullen, J. H. Phipps, J. F. Rollins, A. H. Wiggin, New York; Hon. Raoul Dandurand, V. M. Drury, J. A. Eccles, L. P. Gelinas, G. H. Montgomery, Hon. Donat Raymond, Montreal; G. C. Edwards, Ottawa; T. A. Russell, Toronto; H. P. Robinson, Saint John, N.B.; Chenier Picard, Sherbrooke, Que. Vice-pres.—E. L. Crooker, F. G. Robinson, C. B. Thorne. Sec.—Roy Campbell.

Ontario Paper

Ontario Paper Co.'s plan of many years standing for the development of a major newsprint mill on the Lower St. Lawrence was completed successfully at the beginning of this year. The new mill at Baie Comeau has been producing at the rate of about 8,000 tons a month since last February and may step up production to the full capacity of the plant by next year. The entire output is being shipped to the New York News, an associate of the Chicago Tribune, which in turn controls Ontario Paper Co.

Shortly after the war Col. Robert McCormick, publisher of the Chicago Tribune, first commenced actual development on the Baie Comeau and Outardes Falls sites, but, as the position of the Canadian newsprint industry became unsettled, development work was deferred indefinitely.

Two Years Work

Two years ago it was decided to proceed with the Baie Comeau newsprint and Outardes Falls hydroelectric developments. In April, 1936, work commenced. It was necessary to lay out an entirely new townsite.

Approximately $30 millions were spent on the newsprint and power developments. By the end of last year more than 400 ships had arrived at Baie Comeau, in addition to those in regular service of gulf ports, carrying equipment and supplies.

The Baie Comeau mill, which has been incorporated as a separate company under the name of Quebec North Shore Paper Co., will not operate in the open market. The Daily News, which is taking the entire output, has heretofore been securing its newsprint supply from International Paper Co. While the Baie Comeau mill will naturally cause a switch in the main source of supply for the New York News, still it is anticipated that the New York paper will have to purchase a large amount of paper over and above that received from Baie Comeau in order to meet its own requirements.

Aside from the Baie Comeau development, Ontario Paper Co. has been an important newsprint producer for many years. Its Thorold, Ont., mill, is one of the largest in the country and has been engaged in suppling the requirements of the Chicago Tribune. Like the associated plant at Baie Comeau, the Thorold unit does not sell in the open market.

As a privately owned enterprise, no particulars are published in regard to the financial set-up or earnings of Ontario Paper Co.

Anglo-Canadian

Earnings of Anglo-Canadian Pulp and Paper Mills this year may not be as large as in 1937, when, in common with other newsprint producers, Anglo manufactured and sold an above average amount of paper.

Though one of the major operators in the Canadian industry, the company publishes no particulars as to income or the extent of its operations. Accordingly its activity must be judged by the general trend of operations.

The company is controlled by the Rothermere interests, and the capital stock is closely held. The funded debt, amounting to £3,114,435 at the end of last year, was taken up by Daily Mirror Newspapers Ltd., of London, England.

The capital stock comprises $8 millions of 7% preferred and 135,000 shares of no par value common. No dividends have been paid on the preferred since April 1, 1930, so that the stock is in arrears of just under $60 a share. No dividends have ever been paid on the common.

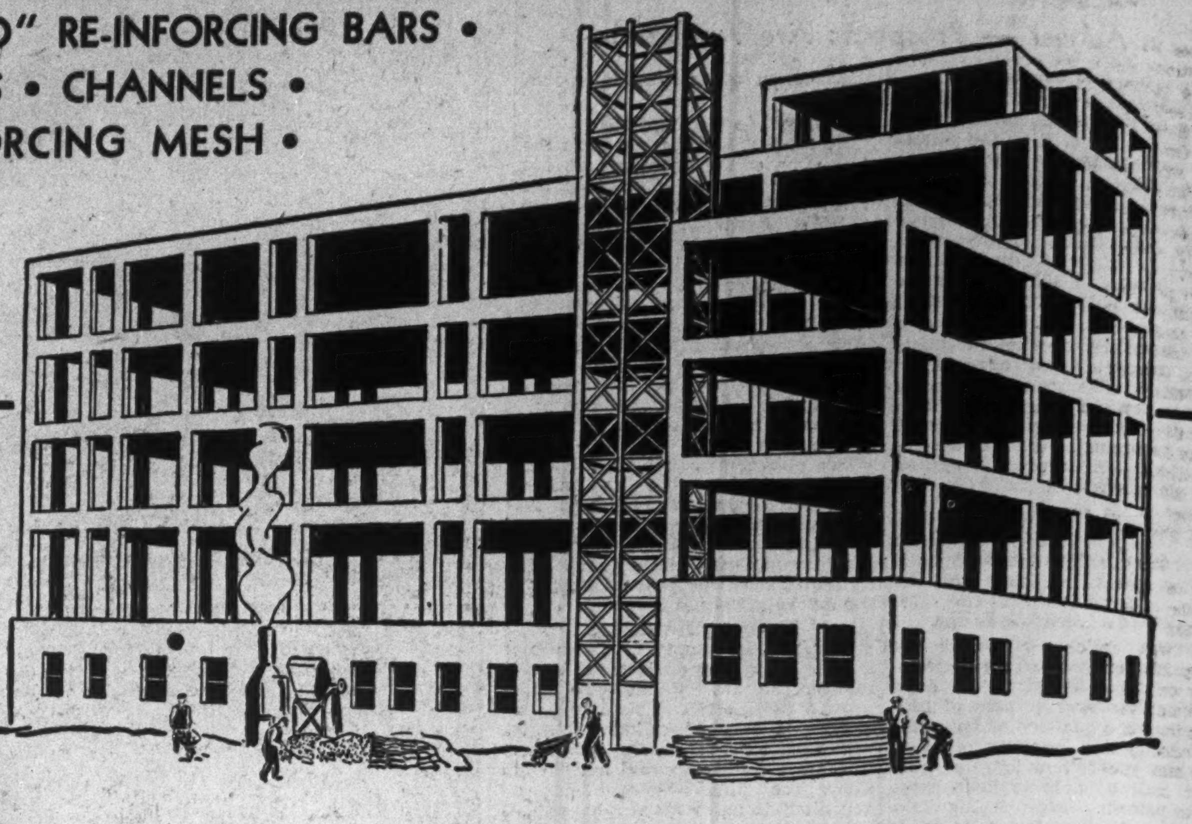
Two Main Customers

Operations of the Anglo mill this year have been affected somewhat by the financial difficulties of one of its principal customers in the United States—the Hearst newspapers. Shipments to that consumer were restricted by all the operators until the surplus stocks were liquidated. This was a situation common to all publishers who had built up stocks. Of late, however, deliveries to the Hearst group have tended to increase which should benefit Anglo-Canadian and the other operators supplying this chain of papers.

The other principal outlet for Anglo's newsprint is the Rothermere Papers in England. As far as is known demand from that source has been well maintained.

On the whole it is doubtful if the production and sales of Anglo-Canadian this year will be as large as a year ago. On the other hand, the inventory position of the industry and the publishers is moving along favorable lines and the hope is now held out that production and consumption of newsprint paper will be along parallel lines before the end of the year.

Directors — John Cowley, pres., London, Eng.; F. W. Clarke, vice-pres.; G. E. Bridge, sec.-treas.; R. A. McInnis, W. J. Clarke, Sir Charles Fitzpatrick, Quebec, P.Q.; Sir Herbert S. Holt, R. C. McMichael, F. G. Bush, Montreal; E. A. Sursham, Hon. Esmond Harmsworth, London, Eng.; Frank J. Humphrey, New York.



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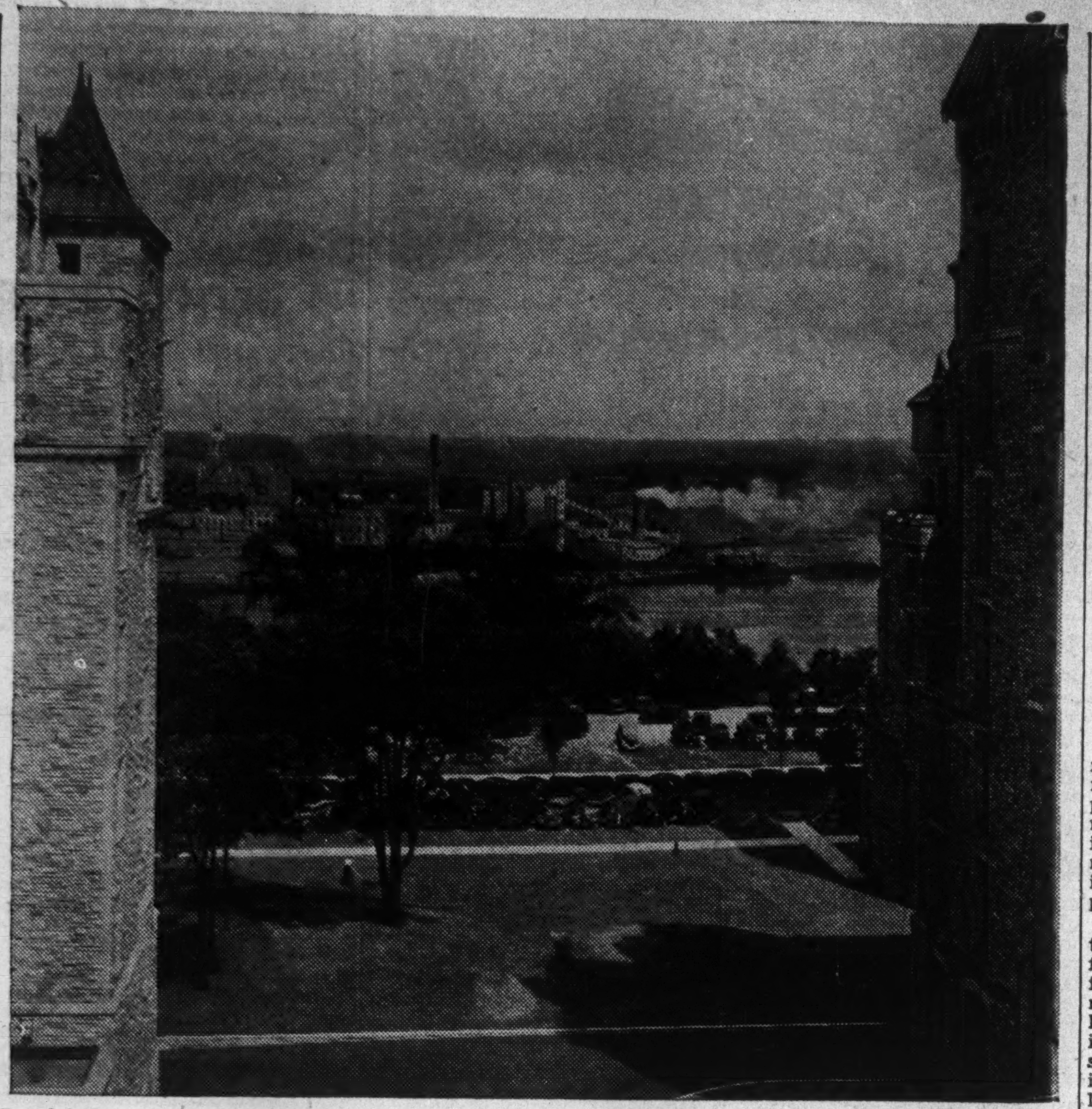
Newsprint Companies Reviewed



Canada's largest manufacturing industry carries on almost in the shadow of Canada's Parliament Buildings. Taken from the roof of the new Bank of Canada building and looking between stately government buildings, this photograph shows the newsprint mills across the Ottawa River.

Price Bros.

Price Bros. & Co.'s earnings and operations since the commencement of the current fiscal year on April 1 last are reported to be running behind those for the like period a year ago. On the other hand, the company still has six months to go before finishing its year, and prospects are that expected increase in sales and earnings will largely, if not wholly, offset the decrease recorded so far.

The problems experienced by the company in the last six months have been common to those of the industry, namely, a curtailment of demand, resulting in a restriction of operations. The overextended inventory position is approaching normality. Thus, if the trend continues favorable it is expected that operations and shipments will be on a more or less normal basis from October to the end of the company's fiscal year on March 31 next.

Show Better Earnings

Price Bros.' financial statement for the year ended March 31, 1938, the first to be issued since the company was reorganized, revealed a sharp increase in earnings, and an advance of about $1.2 million in net working capital.

Operating profit was nearly $2.7 millions, up from $1.8 million in the previous year. In addition, investment income advanced from $16,545 to $205,470. After setting aside $1 million for depreciation, $250,000 for depletion as well as interest charges, net profit was equal to $500,228, or $7.95 a share on the preferred, and 28 cents a share on the common. In the previous year there was a deficit of $4.68 a share on the preferred stock.

The balance sheet as at the end of last March showed a number of interesting changes. Among liabilities, bank loans increased from $2.9 millions to $5,150,000. This was reflected in an increase in inventories from $5.5 millions to $8.2 millions. There was no change in the outstanding first mortgage bonds at the end of March, but the second mortgage debentures had declined during the year from $4,268,300 to $3,936,800.

Clean Up Tag Ends

During the past year further steps were taken to clean up the affairs of the bankrupt company. Arrangements were completed for taking over Price House, and the retirement of that company's bonded debt.

Toward the end of last year the company renewed contractual relations with Saguenay Power Co., and litigation over the validity of the power contract made in 1926 was settled on a basis satisfactory to both parties. For some time Price Bros. bought power from Saguenay Power on a temporary basis, pending the settlement of differences. No new contract has been made between the two parties, but the old agreement of 1926 has been restored to good standing.

Directors — H. J. Symington, chm.; Col. C. H. L. Jones, Pres.; A. A. Aitken, J. D. Johnson, J. C. Newman, P. F. Sise, Montreal; Alfred Marois, A. C. Picard, A. C. M. Thomson, Quebec, Que.; Sir Keith Price, London, Eng. **Treas.**—G. B. Elwin. **Sec.**—A. M. Knill.

Mersey

Mersey Paper Co.'s operations this year have been well maintained. In view of the price increases of $7.50 a ton at the beginning of 1938, therefore, it is anticipated that the financial statement this year will make better reading than that for 1937.

Last year Mersey Paper reported gross profits of $947,243 as against $824,219 in 1936. Following its usual practice the company transferred the surplus, after interest charges, to depreciation reserve.

Stronger Balance Sheet

Consolidated finanical statement showed net working capital position at the end of 1937 of over $1.4 million, compared with an excess of current liabilities over current assets of $2.1 millions at the end of the previous year. This marked improvement resulted largely from new financing carried out in 1937. The company issued $4 millions of new 5% first mortgage bonds, while the net balance of the 6% general mortgage bonds outstanding was increased from $1,899,500 to $2,099,500. Following this financing the company liquidated $2,970,000 of bank loans, reduced current loans from $681,000 to $311,000 and reduced mortgages payable from $625,921 to $47,153. In addition, over the past year, expenditures on capital account amounted to nearly $400,000.

At the time of the annual meeting last June Col. C. H. L. Jones, president, told shareholders that the Rossignol Land, a wholly-owned subsidiary incorporated in 1937, had entered into an agreement for purchase of certain timberlands. Mersey Paper has guaranteed the performance of this subsidiary to purchase the limits on a cordage and acreage basis for a sum to be determined upon completion of timber cruises and to be payable in 11 annual installments, on which there was due and paid $105,000 in 1937. During the current year the company will pay another $100,000 on account.

More Power Sought

Another contingent liability of the company is concerned with the contract of the Nova Scotia Power Commission under which $250,000 is payable in 1938 with respect to additional power being developed primarily for use in the company's Liverpool plant.

This power, amounting to 10,000 h.p., is being made available by the Nova Scotia Government in accordance with the power contract in which the Government agreed to provide additional power in the event of expansion of the company's initial plant capacity. So far there has been no official intimation of any scheme to install an additional machine or machines at the Liverpool mill.

Directors—Col. C. H. L. Jones, pres. & man. dir.; J. McG. Stewart, vice-pres.; Col. J. L. Miller, P. R. Jack, J. C. MacKeen, all of Halifax, N.S. **Gen. mgr.**—B. J. Waters. **Sec.-treas.**—T. M. Ratchford.

Bowater-Lloyds

Bowater - Lloyds Newfoundland Ltd., has taken over control of International Power and Paper Co. of Newfoundland from Canadian International Paper Co.

Control was secured through purchase by Bowater of all the outstanding common stock. A new company—Bowater-Lloyds Newfoundland Ltd.—was formed for the purpose. Canadian International's holdings of 700,000 shares were purchased for $5.5 millions. Following this an additional 100,000 shares of a par value of £1 each were issued by the Newfoundland company and taken up and paid for at par by Bowaters Paper Mills.

All of the stock acquired by Bowater Paper Mills was turned over to Bowater-Lloyds. The capital setup of the latter consists of 500,000 shares of common stock of the par value of £1 each, on which 3s. 6d. per share is paid and £1,250,000 of 4½% guaranteed first debenture stock, payable as to principal and interest in £ sterling.

In order to finance purchase of the property, Bowater-Lloyds made a public offering in London of the debenture stock. This stock is guaranteed as to principal, interest and sinking fund, jointly and severally by Bowater Paper Mills, Bowater Mersey Paper Mills and Edward Lloyd Ltd.

Now In Control

Last month the Cornerbrook mill was officially taken over by Bowater-Lloyds Newfoundland. No announcement has been made as to whether or not there are any immediate plans for enlarging the capacity of the Cornerbrook sulphite mill. It is probable that the venture will await a return of more stabilized conditions in the pulp and paper trade. Meanwhile Bowater acquired an important newsprint property, which has its own supply of pulpwood and hydro-electric energy.

Under normal conditions the Cornerbrook property should be capable of developing a good earning power. In recent years conditions have militated against profitable operations. Last year International of Newfoundland reported a book deficit after interest charges and reserve of $35,450 as compared with $364,179 the year before. Though there was a book deficit on the profit and loss account for the year, net working capital position showed an improvement of nearly $1.5 million at the end of 1937.

Though control of the Cornerbrook property has changed the existing debt and the preferred stock remains undisturbed. The company has a funded debt of nearly $25 millions. Nearly $18 millions of this debt is guaranteed as to principal and interest either by the British Treasury or the Newfoundland Government. In addition the Newfoundland company has outstanding $10,088,000 of 5% preferred stock upon which no dividends were paid. This stock was to be cumulative as to dividends from Jan. 1, 1939, but as a result of the deal with Bowater-Lloyds, the cumulative feature does not come into effect until after 1940.

St. Lawrence Paper

Though reports earlier in the year were to the effect that St. Lawrence Paper Mills' revenue was on a par with that for 1937, it is questionable if profits for the 12 months will be as large as they were a year ago.

The Three Rivers mill is only opperating four machines. Offsetting this, in part, is the higher price for newsprint. However, increased operating costs and the lower volume of sales combined are likely to keep down earnings. In addition there is little prospect of the company receiving any revenue this year from its stock holdings in Lake St. John Power and Paper Co.

Last year, the company produced 147,417 tons. This was the largest output ever recorded by the company, and compared with capacity of 180,000 tons.

Reflecting this improvement, net earnings from operations, before depreciation and depletion, amounted to 855,794 compared with $292,039 for 1936. The 1937 returns include $108,000 received on May 1 last as a dividend on Lake St John Power and Paper Co. preferred stock. Net profit for the year amounted to $165,368, as against $238,304 in the preceding year. The decrease was due to deductions for depreciation and depletion, amounting to $60,426, whereas no such reserves had been set up by the company previously since 1931.

An agreement was reached during the year between the company and six other Canadian producers and Australasian interests, whereby the operators will supply 75% of the Australian and New Zealand newsprint requirements for a 7-year period, from January 1, 1937. The requirements of those countries amount to approximately 200,000 tons annually.

Change in Contracts

While this will have a stabilizing effect upon the Antipodes business, St. Lawrence Paper Mills is confronted with the loss of the Scripps Howard contract as from the beginning of 1939.

Ability of the St. Lawrence Paper Mills to replace this tonnage with other business will have a bearing upon operations next year. However, satisfactory arrangements will likely be made to permit a maintenance of operations. In addition it is expected that demand from other buyers will show an increase.

Directors — A. K. Cameron, chm. of bd., J. I. Rankin, pres., Montreal; A. F. White, vice-pres. & man. dir., Toronto; H. C. Flood, R. W. Steele, P. H. Nitze, N. A. Timmins, Jr., A. H. Campbell, Montreal. **Compt. and treas.** — L. A. Tucker. **Sec.**—A. M. Creighton. **Gen. Mgr.**—D. G. Stenstrom. **Asst. to Pres.**—P. M. Fox.

St. Lawrence Corp.

St. Lawrence Corp. received a revenue in 1937 of $327,521. This is the first time the company has shown any income for many years. Whether or not it will be able to show similar results for 1938 depends, of course, on what dividend action is taken by Brompton Pulp and Paper Co.

This company holds practically all the common stock of St. Lawrence Paper Mills and Brompton Pulp and Paper. It also holds approximately 25% of the common stock of Lake St. John Power and Paper Co., but control of that enterprise lies with the St. Lawrence Paper Mills, which holds slightly more than 51% of the common stock. In addition, St. Lawrence Paper Mills holds all the preferred stock of Lake St. John Power and Paper.

Prospects of Revenue

Revenues of St. Lawrence Corp. depend upon income received from its holdings in the common stock of St. Lawrence Paper Mills, Brompton, and Lake St. John Power and Paper.

There is no immediate likelihood of any revenue from St. Lawrence Paper Mills, as that company is still in arrears of dividends on its preferred stock. Lake St. John Power and Paper Co. earned 90 cents a share on its common in 1937, but did not pay a dividend. The prospects are that company will not show any income available on the common stock for 1938. Brompton, accordingly, remains the only likely source of revenue for St. Lawrence Corp. this year.

Following receipt of revenue from Brompton last year, St. Lawrence Corp. declared a dividend on its Class A stock of $1 a share. This was the first payment made since 25 cents was paid on April 1, 1931. Arrears of dividends amounted to $12.75 a share following payment of the dividend due Jan. 15, 1938.

St. Lawrence Corp.'s capital setup is divided into 297,773 shares of $2 Class A preferred, and 579,062 shares of no par value common. The Class A is, in effect, the common stock of Brompton, as this stock was given share for share for the common stock of the latter. St. Lawrence Corp. A was issued in exchange for the common stock of Lake St. John Power and Paper and St. Lawrence Paper Mills.

Directors—A. F. White, chm. of bd., Toronto; A. K. Cameron, pres.; J. L. Rankin, vice-pres.; H. C. Flood, R. W. Steele, A. H. Campbell, N. A. Timmins, Jr., D. H. Taylor, Montreal; H. H. Horsfall, G. R. Cottrelle, Toronto. **Compt. and treas.**—L. A. Tucker, Montreal. **Sec.**—A. M. Creighton. **Asst. to pres.**—P. M. Fox.

Brompton

Brompton Pulp & Paper Co., wholly-owned subsidiary of St. Lawrence Corp., has no sales problems. Toward the end of 1937 International Paper Co. purchased the entire 40,000-ton output of the company's mill for a period of five years.

Last year Brompton reported one of the most satisfactory years in its history. Net profit amounted to $403,282, as against $116,191 in 1936, equivalent to earnings of $1.34 a share in 1937, and 39 cents in the preceding year. A dividend of $1.10 a share was paid on the common stock on November 15 last. The last previous payment was for 25 cents a share, which was paid April 15, 1931.

Improvements to plant equipment have been made recently, expenditure on this account amounting to $433,628 during 1937. The programme was completed earlier this year. Expenditures in this connection will be shown as substantially less in the 1938 accounts.

Acquire Dominion Lime

At the beginning of last December, Dominion Lime Ltd. became a wholly-owned subsidiary of Brompton, the assets and undertakings of the predecessor company, Dominion Lime Co., having been purchased at a price which resulted in a payment of $70 a share to the shareholders of that company. Previously, Brompton had managed this company's operations for a number of years, and had purchased annually a substantial portion of the output.

Despite the payment of the dividend on the common stock, which absorbed $330,000, and expenditure on capital account, the working capital position of the company has been well maintained. At the end of 1937 current assets totalled $2.5 millions, against current liabilities of only $442,477. The favorable difference of $2.1 millions is the largest reported by the company since 1931.

Directors — Arthur F. White, pres., Toronto; R. W. Steele, vice-pres.; A. M. Creighton, sec.; J. I. Rankin, R. O. Sweezey, N. A. Timmins, Jr., Montreal; F. C. Baker, Lennoxville, P.Q.; S. R. Newton, D. J. Salls, Sherbrooke, P.Q. **Compt. and treas.**—L. A. Tucker; **Gen. Mgr.**—P. H. Scowen.

Maclaren

Newsprint operations of the James Maclaren Co., subsidiary of Maclaren Power and Paper Co., have followed the general trend of the industry. Demand for newsprint from the United States has been curtailed this year as a result of storing up excess reserves in 1937. James Maclaren as well as other operators have been affected thereby.

No particulars have ever been made public by the company as to its earnings. Its financial returns are consolidated with those of the parent company which, in turn, includes the revenues of the Maclaren-Quebec Power Co. All of the capital of James Maclaren is held by the Maclaren Power and Paper in which there is a direct public investment interest.

Over the past year the position of the parent company has been strengthened by the amendment of its subsidiary's contract with Ontario Hydro, whereby deliveries of hydro-electric energy will be stepped up from 40,000 h.p. to 100,000 h.p. by 1944. The present deliveries of 40,000 h.p. will be increased to 60,000 h.p. on Nov. 1 next.

The additional deliveries of power to Ontario Hydro by the power subsidiary will increase earnings of the parent company for 1938 and will partially offset the lower revenues expected from newsprint and lumber operations.

During 1937 Maclaren Power and Paper Co. had indicated earnings from its newsprint and lumber operations of $613,203. Income from power sales totalled $1,100,000 giving a total revenue of $1,713,203. After setting up a reserve of $764,722 for depreciation and depletion, there was a deficit after bond and other interest of $139,196. It is unlikely that this showing will be much improved upon as a result of operations this year.

Directors—Albert Maclaren, pres.; Alexander Maclaren, vice-pres.; J. A. Bryant, sec.; J. T. Black, treas.; R. M. Kenny, T. F. Kenny, C. H. Maclaren, J. R. Maclaren, J. N. Copping, C. R. Morrison, all of Buckingham, Que.

Powell River

Since the middle of the year, Powell River Co. and other newsprint producers in British Columbia have had to curtail operations in line with those of eastern mills. Previously, production had been reasonably well maintained though two shutdown periods of a week's duration were recorded. However, after the turn of mid-year, the Powell River plant definitely went on a 16 days a month basis and will continue so until business conditions improve.

Decline in consumption of newsprint in the United States is the major reason for curtailing production in the British Columbia mills, but the Sino-Japanese war has been another factor. Under normal conditions a large proportion of the newsprint surplus of the Powell River Co. went to the Far East market.

New Sales Policy

Last month Powell River Co. made an important announcement as regards its newsprint sales policy. Following the signing of a five-year contract with Scripps-Howard for 15,000 tons a year, at $50 a ton, the company made a similar offer to other western publishers, provided they, too, took a five-year contract. The new price includes transportation costs to a Pacific coast port. Formerly the mill sold on an f.o.b. basis with the aggregate price in line with that charged by the eastern mills.

Little information is available regarding finances and earnings of this company. The property is owned and operated by the Brooks interests in Minneapolis. There is no public investment interest in the property.

Donnacona

Earnings of Donnacona Paper Co. for the first half of the year are reported to be ahead of the same period in 1937, despite a drop in newsprint sales. This improvement is explained by the higher price for newsprint; maintenance of insulating board sales at the 1937 level and profits on foreign exchange.

Since that time it is understood that earnings have not been quite so favorable. Canadian board sales have fallen off. The exchange premium is negligible, while the newsprint market has yet to show any appreciable improvement. As far as the capital stock is concerned, the expectation is that net profits for 1938 will be lower than in 1937 due, in part, to increased interest charges. As to share profits, final results will depend largely upon the volume of newsprint sales in the last quarter.

Production of newsprint during 1937 increased considerably over 1936, but was not as high as anticipated due to unavoidable delays in the delivery of new machinery. Production of insulating board and sulphite pulp also increased during the year.

Net profit amounted to $40,856 after allowing $259,223 for depreciation and depletion. In 1936, the balance of $103,943 after allowing for bond interest was transferred to depreciation and depletion reserve, leaving no net profit to carry forward.

Earnings in 1937 amounted to 11 cents on the combined Class A and Class B shares, on which no dividends have been paid by the present company since incorporation in 1928.

Working capital has increased steadily since 1931 and amounted to $880,663 at the end of 1937, as compared with $777,017 at the close of the preceding fiscal year. Dividend payments on the company's stock are dependent upon further improvement in the liquid position, as no dividends may be paid which would reduce working capital below $1 million.

Plant improvements completed during 1937 resulted in increased daily capacity of newsprint and sulphite pulp. The newsprint plant capacity has been increased from 250 to 275 tons daily. There has been a corresponding advance in the grinding capacity in the groundwood mill. Extensions to the sulphite mill have increased the amount of saleable sulphite pulp from about 35 to 65 tons daily. In addition, there was an increase in the capacity of insulating board mill. In the opinion of the management, the decision to make more extensive improvements than had originally been planned has been justified. No further capital expenditures are contemplated at the present time.

Directors—R. P. Kernan, pres.; Hon. Geo. Parent, vice-pres., Quebec; L. W. Michael, sec.-treas., Donnacona; Sir Geo. Garneau, Hon. W. G. Power, Quebec; Hugh MacKay, A. P. S. Glassco, Montreal. **Asst. sec.-treas.**—J. M. Phelan.

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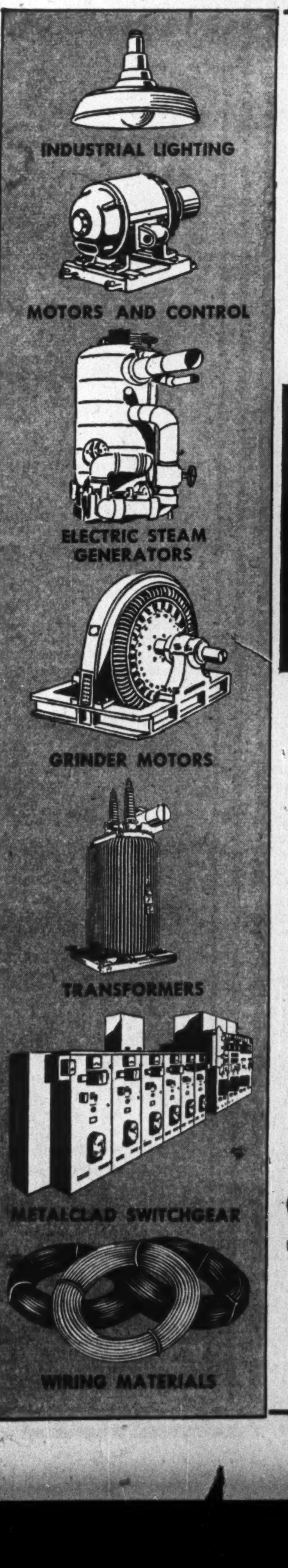

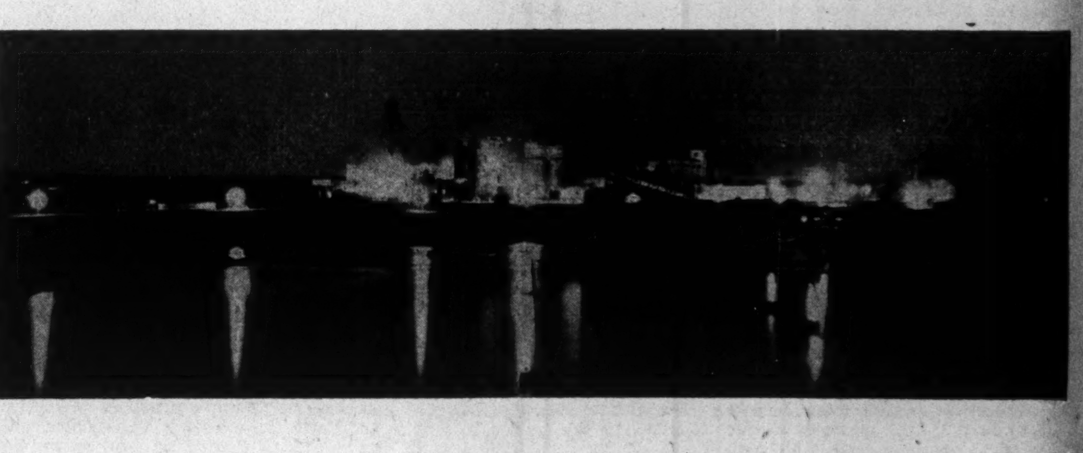

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Newsprint Companies Reviewed

Consolidated Paper

Operations of Consolidated Paper Corp., one of the principal newsprint manufacturers in the Dominion, have been running around about half of capacity. Earnings to date have been limited—under those reported for the same period in 1937—but if the anticipated improvement is realized for the last quarter, earnings for 1938 probably will be up to the average of recent years.

Income from other sources of activity is likely to be less than in the past fiscal year. The company is an important producer of kraft paper, the market for which has been restricted in line with general business conditions. Certain investments of the company produce a small revenue, but no increase is expected in dividends or interest.

Good Year in 1937

Last year was the best ever experienced by the company, with income just short of $5 millions or $1.6 million greater than in 1936. After providing for all senior charges, there was about $4.7 millions carried forward to depreciation reserve as against $2.7 millions in 1936.

The fiscal volume of sales of all pulp and paper products, in tons, exceeded that of 1936 by approximately 13%. Increase in the gross dollar sales was approximately 20%, while the average selling price of all products marketed by the corporation increased by only 7%.

During the year consolidated paper received $1,225,000 in settlement of amount owing by Price Bros. and Co. and Price Bros. Sales Corp. The total claim was for $1,268,246.

Another Cut in Loans

Special bank loans were reduced during the year by $2,222,160. These loans which were incurred to pay capital obligations of the predecessor company are secured by a pledge of $7,048,600 of the corporation's bonds of the 1961 series.

The reduction in total bank loans during 1937 was $1,264,160.

Montreal Trust Co.'s secured loan of $283,994 was liquidated, releasing certain investments which have been pledged as collateral.

Sinking fund payments on subsidiary company bonds amounted to $175,940 and the aggregate amount of such bonds outstanding was reduced accordingly.

During the year $4,444,300 principal amount of bonds pledged as collateral to bank loans was released by the banks. Of this amount $2,777,700 was cancelled and the balance of $1,666,660 held by the trustee for purposes of the Corporation.

Spend Money on Plants

During the year the company spent $1,275,849 out of earnings toward maintainance of property. In anticipation of increased volume of business, heavy expenditures were incurred for replacement, modernization, the opening up of additional woodland areas. For 1938, $1,228,632 was expended on this account. The principal item was the installation of new steam plants at the Belgo and Wayagamack mills, installation of additional grinding capacity at Port Alfred and general improvements in all operating mills and the opening up of additional timber areas.

At the end of last year the company reported current assets of $13,185,661 and current liabilities of $10,876,805, leaving a working capital of $2,308,856. This contrasted with an excess of current liabilities over current assets of $725,376 at the end of 1936 and an adverse working capital of $5,021,778 at the conclusion of the Corporation's first year of operations.

Anticosti Sale Proposed

A development of considerable public interest this year was the possible sale of the Corporation's Anticosti Island to a Dutch-German syndicate. This sale was opposed by the Federal and Provincial Governments on political grounds. The group intended to develop the island for the purpose of exporting pulpwood to Germany. The deal was called off, though an option is still held by a Hollander.

Recently the island came in for further attention on the report that the Federal Government was considering its possibilities as an airplane and naval base. No decision has been reached by the Federal Government as to its intentions regarding the island.

Bond Interest After 1939?

A matter of interest at this time is what policy the management will adopt in respect to the payment of interest on the 5½% first mortgage bonds. In 1936, in order to conserve working capital, the company submitted a plan to bondholders, which they accepted, whereby interest was paid in stock rather than cash. This scheme provided that interest for the three-year period from July 2, 1936 to July 2, 1939, was met by the issue of 15 common shares on each $1,000 principal amount of bonds. It was also agreed that interest on bonds and debenture stock for the two years commencing July 2, 1939, might be paid in stock at the rate of 5½% annually on July 2, 1940 and 1941. For this purpose the stock is to be valued at $11 a share, making payment of five shares per $1,000 for each year. If the company's working capital is in excess of $10 millions during this period, interest is to be paid in cash to the extent of such excess provided that no cash payment shall be less than 55 cents per $100 principal amount of bonds, any balance unpaid to be settled by issue of shares valued at $11 a share.

In some quarters there has been a belief that the company may pay in cash when the first of the payments falls due on July 2, 1940. Unless the company is able to show a net working capital of $10 millions, it will have to pay in stock.

Directors—L. J. Belnap, pres.; Harold Crabtree, N. J. Dawes, W. H. Howard, G. M. Todd, R. H. McMaster, E. A. Macnutt, A. B. Purvis, C. F. Sise, J. C. Smith. Montreal; Col. H. D. L. Gordon, Toronto. **Vice-pres.**—François Faure. **Assts. to pres.**—G. M. McKee, C. R. Whitehead. **Compt.**—George Henderson. **Sec.**—G. W. Hodgson. **Treas.**—D. L. Adams. **Asst. treas.**—J. W. Hodgson.

Lake St. John

Lake St. John Power and Paper Co.'s operations have been curtailed this year and while an improvement is expected between now and the end of the year, the operating ratio for the whole year will not be much in excess of 60% of capacity.

On the basis of returns to date and prospects for the balance of the year, the company is assured of earning full interest charges on its bonds and debentures before depreciation. Whether or not full depreciation will be earned depends upon outcome of operations and sales in the next three or four months.

The company has been somewhat concerned about the financial stability of the Hearst newsprint buying organization. As is well known, all of Lake St. John's output is sold to this buyer. The early part of the year, this organization secured extended credit. There is no question of the ability of the Hearst organization to pay, but the latter was pressed for cash.

Since then suitable banking arrangements have been made, which assure more prompt payment on newsprint deliveries.

Good Showing in 1937

Lake St. John's financial statement for last year was in line with expectations: all senior charges being covered, with net earnings equal to $10.96 on the preferred stock and 90 cents a share on the common. In the previous year the company earned $5.72 a share on the preferred, or just short of the full dividend rate of $6 a share.

The balance sheet reflects the improvement resulting from the better earnings last year. Net working capital advanced by $100,000. Among the current assets cash on hand totalled $537,902; receivables, $478,638, an increase of $110,000; inventories, $1,370,072, an advance of $350,000. Current liabilities were somewhat higher but, as pointed out, on balance current assets increased by $100,000.

Pay Dividend on Stock

Reflecting the improvement, interest payment on the debentures for 1937 was paid on April 1, 1938. The last payment on this issue, which was the initial payment, was paid on April 1, 1937, covering the period from July 1 to December 31, 1936. In addition, the company declared and paid its dividend on the 6% preferred on May 1, 1938. All of the preferred is owned by St. Lawrence Paper Mills Co., which received a payment of $108,000.

Lake St. John's operations and earnings naturally are dependent upon the manner in which the Hearst newspapers take deliveries. The old ten-year contract with the Hearst group expired last year and the contract was rewritten for a further period of five years. The amended agreement called for delivery of 100,000 tons of paper a year at the prevailing market price, subject to cancellation after two years, conditional upon 12 months prior notice.

Directors—D. H. McDougall, chm., Toronto; A. S. McNichols, pres., Montreal; H. H. Horsfall, vice-pres., Toronto; A. H. Campbell, A. S. Fraser, J. I. Rankin, John Stadler, Montreal. **Gen. Mgr.**—P. M. Fox. **Sec.-treas.**—C. W. Davison.

Spruce Falls

Spruce Falls Power and Paper Co. operates mills with daily capacity of 550 tons of newsprint, 440 tons of groundwood pulp and 230 tons sulphite pulp at Kapuskasing, Ont. The entire output of sulphite is purchased under contract by the Kimberly-Clark Co. and the New York Times has contracted to purchase from the company its newsprint requirements, which are approximately 50% of the mill capacity.

The entire capital stock of the company is owned by Kimberly-Clark Co. and the New York Times but no dividends have been paid on either of the preferred issues since 1932.

No annual reports will be distributed to the public in future as none of its securities are in the hands of the public. In 1937 the remaining $8 millions of bonds were refunded privately by a bank loan of $6 millions and a further loan from other companies.

In the year ended April 30, 1937, last period for which reports are available, the company reported a net profit of $372,136 against a net loss of $148,006 in 1936.

The company operates its own power plant on the Mattagami River where 75,000 horsepower is developed.

Abitibi Power & Paper

Abitibi Power & Paper Co., one of the largest newsprint producers in Canada, has been operating under receivership since Sept., 1932, following the failure to meet bond interest payment due June 1, 1932, on its $48.3 millions of 5% first mortgage bonds. Last year several attempts were made to reorganize the company and a plan was actually adopted by bondholders last October. Objections to this plan were received when it was argued before the Ontario Courts and sanction of the plan of reorganization approved by bondholders has so far been refused. The Bondholders' Representative Committee, sponsors of the plan adopted last October, have until Oct. 15 in which to enter an appeal from a judgment delivered last June in the Appeal Court of Ontario. It is understood that no decision has yet been reached as to whether an appeal will be launched and that at the moment nothing is being done toward rehabilitating the company.

Apparently, no matter what plan of reorganization is adopted for Abitibi considerable new capital will be needed. Under present conditions of security markets, it would be exceedingly difficult to raise any new capital for any such project and it would seem quite likely that a more favorable time will have to be awaited. In the meantime the actual value of Abitibi securities must be regarded as largely contingent on the final reorganization of the company.

Earnings Down This Year

For the first seven months of 1938, G. T. Clarkson, receiver and manager, reports that net earnings of Abitibi and its subsidiaries, excluding Provincial Paper and G. H. Mead Co., and before depreciation and bond interest, have amounted to $1.4 million. This is a decrease of 47.07% from the $2.6 millions reported for the corresponding period of 1937 but is still considerably ahead of earnings for the 1936 period. Last year Abitibi had $3.1 millions available for bond interest, after depreciation. Apparently this year the balance will be considerably lower in view of the reduced scale of operations prevailing so far.

Abitibi has eight newsprint mills, having a combined annual capacity of about 704,000 tons of newsprint. Production last year was 486,524 tons, or 87.2% of capacity, excluding the obsolete Sturgeon Falls and Espanola mills. The company also has a bleached sulphite mill with an annual capacity of 60,000 tons.

Since the receivership of Abitibi substantial progress has been made in improving its working capital. At the end of 1937, working capital amounted to $5.3 millions as compared with $2.2 millions a year earlier. The company has been able to repay bank loans and receivers' certificates outstanding were $2.6 millions at the end of 1937, a reduction of over $1 million in the year. Of course, much of this improvement in working capital has been because of non payment of interest on bonds or dividends on the two classes of preferred stocks.

Directors — G. H. Mead, chm., Dayton, Ohio; Alexander Smith, pres., Chicago; W. A. Black, vice-pres., Montreal; L. R. Wilson, vice-pres. & man. dir.; W. H. Smith, ast. man. dir.; T. H. Watson, S. F. Duncan, Toronto; Sir Thomas Tait, Hon. A. J. Brown, Montreal; W. H. Carter, Winnipeg. **Sec.** — T. Broadhurst; **asst. sec.**. L. B. Popham. **Treas.**—Howard Young, **asst. treas.**, D. J. Cormack. **Receiver and Manager** — G. T. Clarkson, Toronto. **Liquidator**—R. S. McPherson, Toronto.

M. & O. Paper

Minnesota & Ontario Paper Co. is being operated by trustees under the U. S. Corporate Bankruptcy Law and is in default of bond interest on its $27.9 millions of funded debt since 1931. Though a bondholders' committee has been working on reorganization and surveys and appraisals of properties have been carried out, it is quite probable that nothing much will be done until more favorable conditions prevail.

From Jan. 1 to June 30, 1938, the company showed a loss of $10,091 as compared with a net income of $487,691 in the corresponding period of 1937. Last year the company had a net income equivalent to about 49% of interest requirements before depreciation and depletion charges.

The company has a substantial working capital which amounted to $5.6 millions at June 30, 1938.

Mills in Canada and U. S.

In its mills at International Falls on the American side and Kenora and Fort Frances on the Canadian side, the company makes newsprint, kraft liner board, unbleached sulphite, "Insulite," as well as lumber in various forms. Capacity of the newsprint mill is 250,000 tons annually, while 34,000 tons of kraft liner board and 66,650 tons of unbleached sulphite can also be made.

Progress in reorganizing the company has been delayed because of litigation over taxes and a dispute with the Great Lakes Paper Co. The Great Lakes dispute has been settled with Great Lakes agreeing to reduce its claims from $2.3 millions to $1.7 million and rank as an unsecured creditor. Some progress is also reported in settling the tax difficulties. The company has an interest in a major subsidiary, National Pole and Treating Co., which has in the past been a substantial earner but in the first half of this year reported a net loss of $85,744.

Trustees — C. T. Jaffray, S. M. Archer, Minneapolis; R. H. M. Robinson, New York City.

Bondholders' Protective Committee — F. K. Schrader, chm., A. D. Cobban, C. S. Garland, F. M. Gordon, R. P. Matthiessen, W. A. Smart, R. S. Waldie, H. D. Thrall. **Sec.** — H. R. Mosser, Chicago. **Depositary**—First National Bank, Chicago, Ill.

Great Lakes Paper

The Great Lakes Paper Co. manufactures newsprint in a modern mill at Fort William where two newsprint machines have a rated annual capacity of about 100,000 tons. Last year, partly because of improvements to the mill and increased efficiency therefrom, 112,656 tons of newsprint were produced. The company is also a producer of sulphite pulp for export. It enjoys an advantage in being located directly on the Great Lakes, permitting water shipment of practically all its production with a consequent saving in cost.

Following reorganization in 1936 the company has made steady progress in bettering its position and at the end of last year had built up working capital of $1.5 million.

Net profit, after depreciation and bond interest, was $41,303 for the six months ended July 1, 1938, compared with $116,991 in the corresponding period of 1937. Shipments of newsprint by the company declined 32% from a year ago, with a corresponding adverse effect on costs, according to C. H. Carlisle, president. The company's decline in shipments of 32% is somewhat less than that of 38% for the newsprint industry as a whole. Mr. Carlisle believes that the latter half of the year will show a greater profit because of better business conditions and savings made by the company in water shipments. Last year Great Lakes Paper earned $1.23 a share on its combined class A and B preference stocks. These stocks have a fixed cumulative dividend of $2 a share annually and participate with the common on certain conditions. No dividends have been paid to date and arrears are now $6 a share.

Interest Payments Resumed

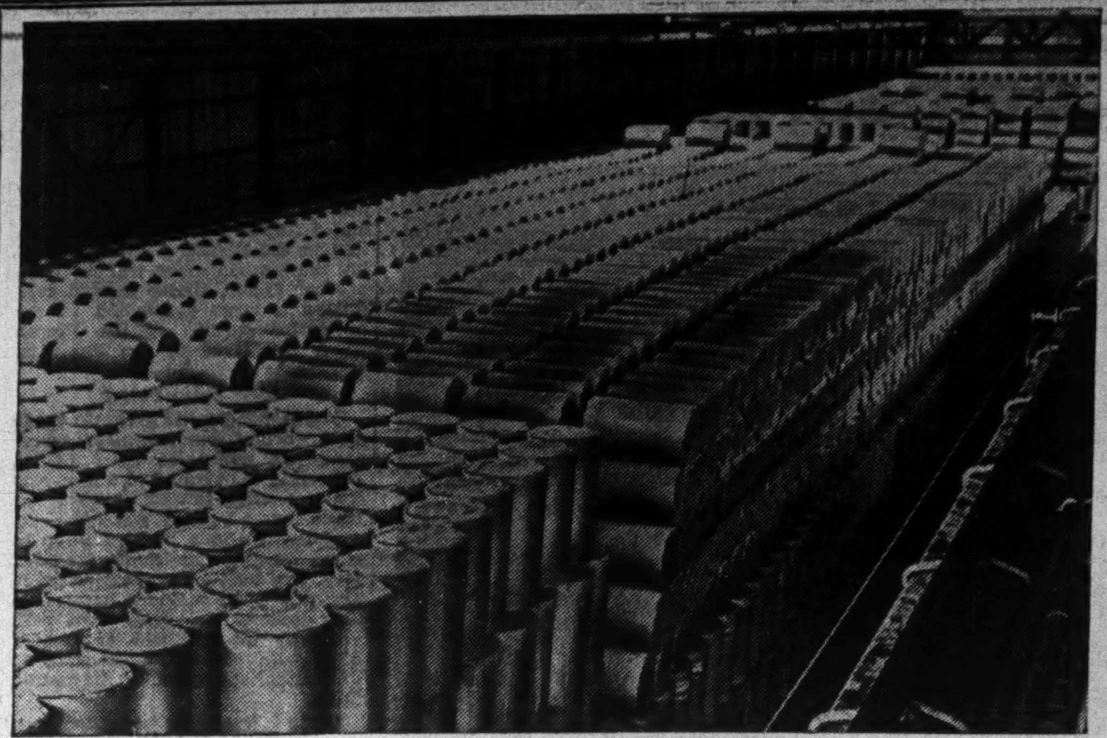
In order to build up working capital the company deferred its bond interest which was due Oct. 1, 1936 and April 1, 1937 with the deferred interest to be paid last July and next year. Regular interest payments have been made since October of last year as due.

Expenditures of about $229,000 last year were made on properties and further work undertaken this year. The company has contracts for newsprint to total of 90,000 tons a year and receives a guarantee for 67,500 tons until 1946.

Public investment interest is confined to the 5% bonds, the class A preferred and the common. The class B preferred is held by a trustee for publisher-customers of the company.

Directors—C. H. Carlisle, pres.; E. G. Long, vice-pres.; L. J. Heit, gen. mgr.; A. D. Cobban, C. B. Shields; all of Toronto; L. E. Aldrich*, J. W. McCurdy, Chicago; Harry Murphy, Fort William; Ray Lawson, London, Ont.; Herbert Ponting*, Detroit, Mich. **Sec.-treas.**—Charles England. **Asst. secs.**—W. J. Palmer, E. E. Thistle. **Asst. treas. & compt.**—F. K. Carlisle.

*Representing the publishers.



Surplus Stocks of Paper Are Getting Smaller

Pacific Mills

Pacific Mills Ltd., one of the principal British Columbia manufacturers of newsprint and a subsidiary of Crown Zellerbach Corp., is operating on about a half-time basis. The falling off in demand which has affected operations in the east also has been felt in about the same proportion among the western coast mills.

There is no direct investment interest in Pacific Mills. Its returns are consolidated with those of Crown Zellerbach Corp.

Two years ago Pacific Mills retired the last of its outstanding funded debt. In order to do this the company borrowed $600,000 from the bank, repayable in the form of serial notes. These notes are due in equal annual installments as from Jan. 20, 1939 to the same date in 1942.

Previous reports would indicate the company has established a satisfactory earning power, dependent upon market conditions. Its earnings contribute largely to the showing of the parent company.

THOUSANDS of square miles of timber country constitute Canada's natural resources in the pulp and paper industry. To transform these natural resources into national wealth requires capital. The capital invested in this great Canadian industry is represented, in many instances, by securities engraved and printed by this company.

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CHARLES G. COWAN
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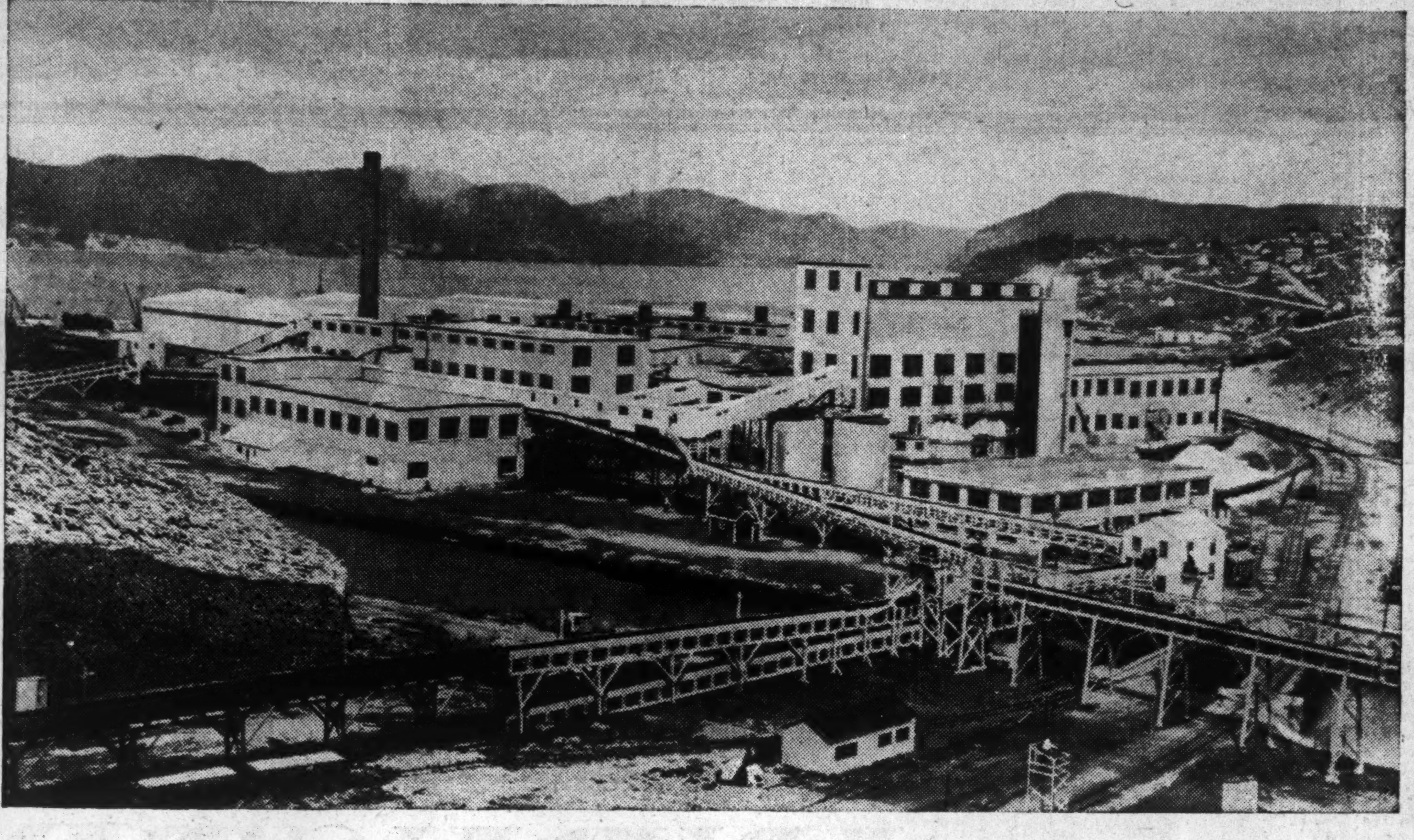

CORNER BROOK
NEWFOUNDLAND

Newsprint Reviews

Anglo-Newfoundland

Greater part of Anglo-Newfoundland Development Co.'s newsprint mills output is contracted for by Associated Newspapers Ltd. in England, but nevertheless the company has had to curtail production to a somewhat smaller basis. Since capacity of the company's mill has been increased to 175,000 tons annually it cannot, under present conditions, find a market for all the additional output.

To the end of enlarging capacity, the company last year undertook the extension of its power plant with a new 27,000 h.p. unit which has just come into operation.

Anglo-Newfoundland report for 1937 showed net profit after debenture interest, provision for redemption of debenture stock and other charges amounting to $1,206,540. This compares with $673,718 in 1936.

As a result of this improvement the company increased the dividend payment made July 18 to 5%, bringing total dividend payments out of 1937 earnings to 8%, as compared with 6% in the previous year. Thus distributions to shareholders for the year amounted to approximately half of the available earnings before a special provision of $400,000 transferred to reserve for contingencies.

Terra Nova Dividends

The increase in earnings was due mainly to larger income from the company's subsidiary. Terra Nova Properties, which has a substantial interest in Buchans Mine in Newfoundland, and not to improvement in the newsprint situation.

Anglo-Newfoundland received $983,000 in dividends from Terra Nova Properties, which is more than double the amount received for the year 1936. As its share of the profits of Buchans Mine in 1937, Terra Nova Properties received $1,335,207, of which $1 million was distributed in dividends on its capital, of which Anglo-Newfoundland holds over 98%.

Terra Nova Properties has an interest in several other mining properties, including a 15% interest in the Big Bell mine in western Australia. This mine commenced production last October and is making satisfactory profits.

Capital Account Higher

Expenditures made in expanding the company's newsprint mill in Newfoundland are reflected in the balance sheet. The value of timber limits, water powers and mill shows an increase of over $1.5 million. This represents expenditure on mill buildings and equipment. As the programme of improvements and additions had not been completed at the end of 1937 there will be a further large increase in this item during the current year. The value of railway and equipment shows an increase of $153,206 as a result of rerailing of part of the track of the company's railway and the addition of locomotives and rolling stock.

Directors—F. J. Humphrey, pres.; R. A. McInnes, vice-pres. and man. dir.; A. S. Fuller, Hon. E. C. Harmsworth, E. A. Sursham, London, Eng.; R. C. McMichael, Montreal; W. E. Wood, St. John's Nfld.; H. A. Guess, New York. D. W. Jones, vice-pres. and gen. mgr.; D. W. Ambridge, asst. gen. mgr.; J. M. Keddie, sec.-treas.

Thousands of lumberjacks are employed across Canada cutting wood for Canada's pulp and paper mills. In the bush now as a century ago the call to come and get it is the high spot of the day. This group of photographs were taken in the Gatineau woods of the International Paper Company. Above—Pie is still a mainstay in backwoods diet.

Calling the lumberjacks to lunch.

Washing up for dinner.

Newsprint Twenty Years Ago

Effects of Peace Studied in 1919

— Threat of War Big Factor Today

On Sept. 27, 1919, The Financial Post published the first of its annual Pulp and Paper Special Surveys. The successive annual issues since then have traced the story of the Canadian pulp and paper industry through its periods of prosperity and of hardship.

As might be expected, the industry in 1919 was much different from that of today. The war-time period from 1914 to 1918 had given the Canadian industry, then in its infancy, an opportunity to capitalize on Europe's inability to ship newsprint to the United States market.

This growth is illustrated by figures for Canadian exports of pulp, paper and pulpwood from 1911 to 1919 as follows:

Pulp, Paper and Pulpwood Exports

	$
1919	99,259,166
1918	71,845,500
1917	52,970,066
1916	33,821,729
1915	33,925,008
1914	26,444,143
1913	18,657,577
1912	14,678,087
1911	14,732,699

One immediate difference is seen in glancing through the Pulp and Paper survey of 20 years ago. At that time, much space was devoted to a study of the effects of peace on the industry. It had come through its period of rapid growth during the war years and now had peace problems to handle. Today the industry has had the benefit of many years of operations without interference from war, but there is the threat of conflict still with us.

Few Listed Stocks

As might be expected, many of the names of companies reviewed in the 1919 issue are almost strangers today and even in those that still survive many changes have taken place. The war-time period of growth had resulted in stocks of several companies being listed on the Montreal Stock Exchange. Only Laurentide Paper, which later became a unit of what is now Consolidated Paper, had been listed at the outbreak of the war. A glance at high and low prices for listed pulp and paper stocks in 1919 shows some of the changes in the intervening years.

1919 Stock Price Range
(To Sept. 27)

	Com. Stocks	
Abitibi	110¼	48
Brompton	66	55¼
Howard Smith Paper	100	65
Laurentide	228	192
Price Bros.	225	150
Provincial Paper	65	51
Riordon	145	117½
Spanish River	49¾	17½
Wayagamack	70½	47

Planning Expansion

Capacity of Canadian newsprint mills 20 years ago was a little over 700,000 tons a year, a figure which could perhaps be reached by one or two individual companies today under favorable conditions. An estimate of plans under way in 1919 for adding to newsprint-making facilities shows that an increase of 500 tons per day could be expected within the next year, which would bring potential production to 850,000 tons annually. At that time the fixed price for newsprint was $66 a ton.

The newsprint industry was still to go through its period of expansion and mergers in the 1920's. The outlook was rosy in 1919 for this young industry which had just succeeded in obtaining a commanding share of the world's greatest newsprint market. In the ten years preceding Canada had increased its share of the United States newsprint market from less than 4% to over 33 1/3%.

Frasers — If as and when the "golden age of Cellulose" arrives, Fraser Companies will benefit. Meanwhile the stock is selling at 13½ compared with a high this year of 20 and a low of 9. The half-yearly statement was not too encouraging for the common shareholders, but the company has shown that earnings can be quickly re-established under normal conditions.

Newsprint and Mines—The stocks in these two groups are being recommended along St. James Street as offering possibilities for speculative gain over the near term.

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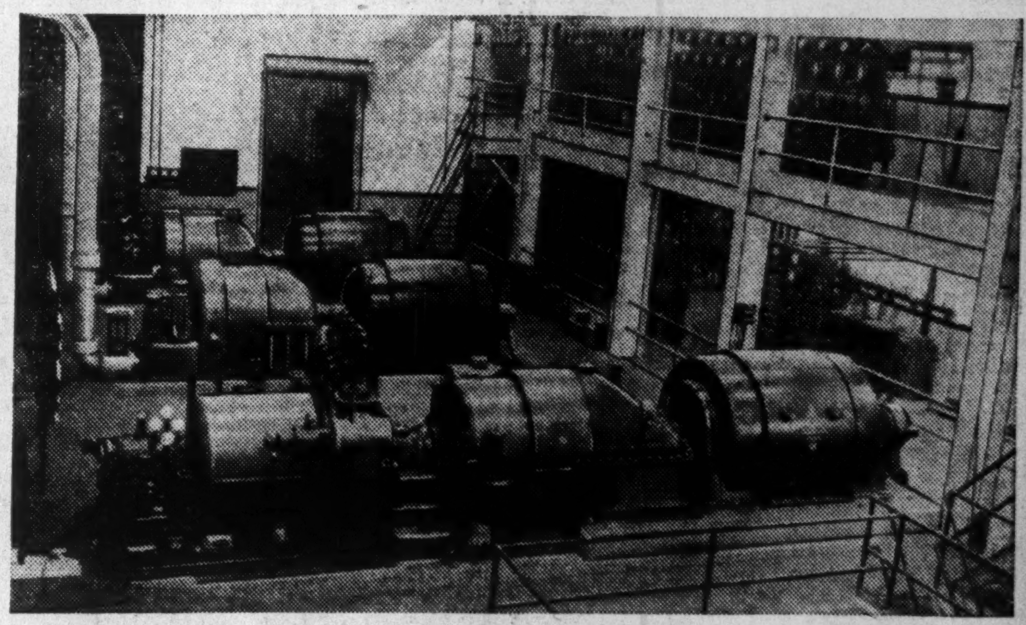
WINNIPEG: 1203 McArthur Bldg.
TORONTO—159 Bay St.
VANCOUVER—B.C. Equipment Co. Ltd., 551 Howe St.



A Brown Boveri automatic double extraction condensing turbo set installed at Bathurst by Power Corporation of Canada, Limited. This 7800 k.w. unit operates under the following steam conditions:—600 pounds per sq. inch gauge, 750 degrees Fahrenheit total temperature, extracting at 175 pounds per sq. inch gauge and 40 pounds per sq. inch gauge.

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Kraft Position Improves

New Uses Are Widening Market —U. S. Industry Overexpanded

Extensive growth in the use of kraft and kraft products, such as kraft liner, etc., in the last few years, has added to the importance of this branch of the pulp and paper industry. Great progress has been made in developing new uses for sulphate or kraft pulp products, with the result that there has been a rapid growth in demand for such items.

The expansion in the United States has been particularly marked. So much so that the industry there, especially in the southern States, undertook a plant expansion programme which seriously threatened the stability of the industry and indirectly caused concern to the Canadian trade. The effective plant capacity of the mills in the southern States, the centre of the kraft industry on this continent, has been more than doubled in the last few years.

New Capacity a Burden

The bringing in of this new capacity in conjunction with the falling off in business affected the market. While the American kraft market is showing more signs of stability just now, the situation is not as yet back on a normal basis.

While the Canadian kraft industry has not overexpanded in the same way as across the line, still market conditions here are influenced in part by those prevailing in the States.

The situation at present is regarded as a temporary one. Confidence in the continued growth of the industry remains unaffected; in fact, is increased.

Though sales have fallen off this year, it is probable that the extent of the decline has not been as pronounced as in other branches of the pulp and paper industry.

Bathurst

Bathurst Power and Paper Co.'s earnings this year are difficult to forecast in view of the curtailed demand for pulp and paper products. At the annual meeting, the president told shareholders that while the company was aided materially by diversity of products and development of overseas markets, it had suffered a curtailment of operations since the first of the year. Lower earnings are anticipated for 1938. Still the result should be relatively satisfactory in view of prevailing conditions.

While this year will not be a particularly good one for the company, Bathurst plants and organization are in a better position than ever to take advantage of any improvement in business conditions.

Last year a substantial betterment was recorded in operations and earnings were the highest in the company's history. Net profits were equal to $454,147, compared with $47,745 in 1936 and $134,703 in 1928, which was the company's best previous year.

More Efficient Operations

The improvement was mainly due to larger volume and more efficient operation as a result of plant additions and betterments carried out during the past year. Sales for the year amounted to over $3.9 millions, or almost double the 1936 figure of $2 millions.

In view of the improvement, the directors paid a dividend of 25 cents a share on the class A stock on December 20, 1937. This was the first payment to be made since 1929. At the annual meeting at the end of last March, the shareholders were told that no definite dividend policy was possible while current uncertainties exist.

Now Make Newsprint

Last year production of newsprint was resumed on a part-time basis, after a lapse of five years. Lack of balanced power facilities prevented continuous production during the year.

While Bathurst was regarded for many years as a newsprint producer, the diversification of its output, especially long lines of kraft, have switched this company from the newsprint into the kraft branch of the industry. For example, the company has a capacity of finished products for sale, amounting to 314 tons daily, of which sulphite pulp accounts for 26 tons, kraft liner board, 130 tons, cylinder board, 80 tons and newsprint paper, 78 tons. This gives the plant a capacity of around 100,000 tons of products for sale per annum.

Last year Bathurst spent $1 million on additions and improvements. The new steam power plant came into full operation toward the end of October and manufacturing operations of the company are now assured of an adequate supply of power at all times, according to the president.

Given a return to normal business conditions, Bathurst's plant operations and earnings are capable of expansion. Also the finances of the company are adequate to handle a much larger volume of business. Despite the heavy capital outlay, the working capital position has been well maintained. At the end of 1937 the company had $2.6 millions of current assets and only $760,000 of current liabilities.

Directors—R. L. Weldon, pres.; H. J. Webb, vice-pres. & sec.-treas.; P. A. Thomson, vice-pres.; Joseph Simard, F. J. Campbell, A. J. Nesbitt, J. B. Woodyatt; all of Montreal; H. P. Robinson, St. John; R. G. Ivey, London, Ont. **Vice-pres. i/c. of sales**—Raymond Kelly. **Asst. treas.**—G. A. Schryer, F. D. Lamont.

Dryden

Dryden Paper Co. reports net earnings of $50,600, after bond interest, but before depreciation, depletion and taxes, for the nine months ended June 30, 1938. This contrasts with 141,100 in the corresponding period of the previous year and with $271,398 for the 12 months ended September 30, 1937.

The lower earnings reflect the restricted activity in the pulp and paper industry. Demand for sulphite pulp in the United States has fallen off sharply and the fiscal volume of the company's business in Canada in paper bags and building papers has dropped 25% during the period.

Prospects More Favorable

Prospects of the company for the balance of the year are regarded as brighter. The sulphate pulp and kraft paper market has shown greater strength, while the Dominion Government's assistance in low-cost housing schemes is expected to result in an increased demand for building papers.

The company's pulp and paper mill, at Dryden, Ont., has an annual capacity of about 25,000 tons of sulphate pulp, of which about 15,000 tons are manufactured into finished products. The paper market is chiefly in western Canada. Consequently, the fortunes of that division rest upon economic conditions in the West. The large grain crop in the West this year is expected to bring about an improvement

The balance of the output is sold in the United States.

Larger Share Earnings

In the 1937 fiscal year Dryden Paper reported earnings of $1.14 a share and 24 cents a share after depreciation. This contrasted with 23 cents a share before depreciation in the previous year.

No dividends have ever been paid on the common stock. While there is no indication of a change in policy of the management, a moderate improvement in earnings would place substantial earning power back of the junior securities. The company has outstanding only $1.3 million of 6% bonds, ranking senior to the 150,000 shares of common. Working capital position is relatively strong and with earnings on a more stabilized basis, the management would be justified in making some distribution to the shareholders.

Directors—J. H. A. Acer, pres.; F. A. Sabbaton, vice-pres.; E. S. Pincott, sec.; George Chahoon, Jr., P. A. Thompson, Dan McLachlan, J. B. Woodyatt, E. R. Parkins; Montreal; J. S. Wilson, Dryden. **Treas.**—H. Humphreys. **Asst. Sec.**—W. F. Robinson.

Waste Paper Big Help In Conserving Pulpwood

The salvaging of old waste paper is a material help in the conservation of pulpwood resources, as it doubles the usefulness of the wood from which it was made. Waste paper is an important constituent of paper boards, and is also used in the manufacture of the better classes of paper. The best rags are used in the manufacture of high-grade book paper. Textile waste, manila, straw and other fibrous materials are used for special classes of papers and boards and make up the remainder of the stock used.

Kraft

Stocks:

	Outstand.	Earned Per Share 1937	Earned Per Share 1936	Div. Rate	Price Range 1937-38 High	Price Range 1937-38 Low	Last Price	Yield
	$	$	$	$				%
Bathurst Power & Paper:								
Cl. A, com., n.p.v.	400,000 shs.	1.14	0.12	*0.25	24¾	6½	8	..
Cl. B com., n.p.v.	300,000 shs.	d1.15	d2.51	nil	12½	2	3	..
*Paid Dec., 1937.								
Dryden Paper:								
Common, n.p.v.	150,000 shs.	0.24	*0.23	nil	20	4	4¾	..
*No allowance for depreciation.								
Consolidated Paper:	(See Newsprint Section).							

Bonds:

	Int. Rate	Maturity	Outstand.	Times Int. Earn. After Deprec. 1937	Times Int. Earn. After Deprec. 1936
	%		$		
Dryden Paper:					
1st Mtge., S. F. Gold	6	1949	1,326,000	1.43	1.81
Consolidated Paper:	(See Newsprint Section).				

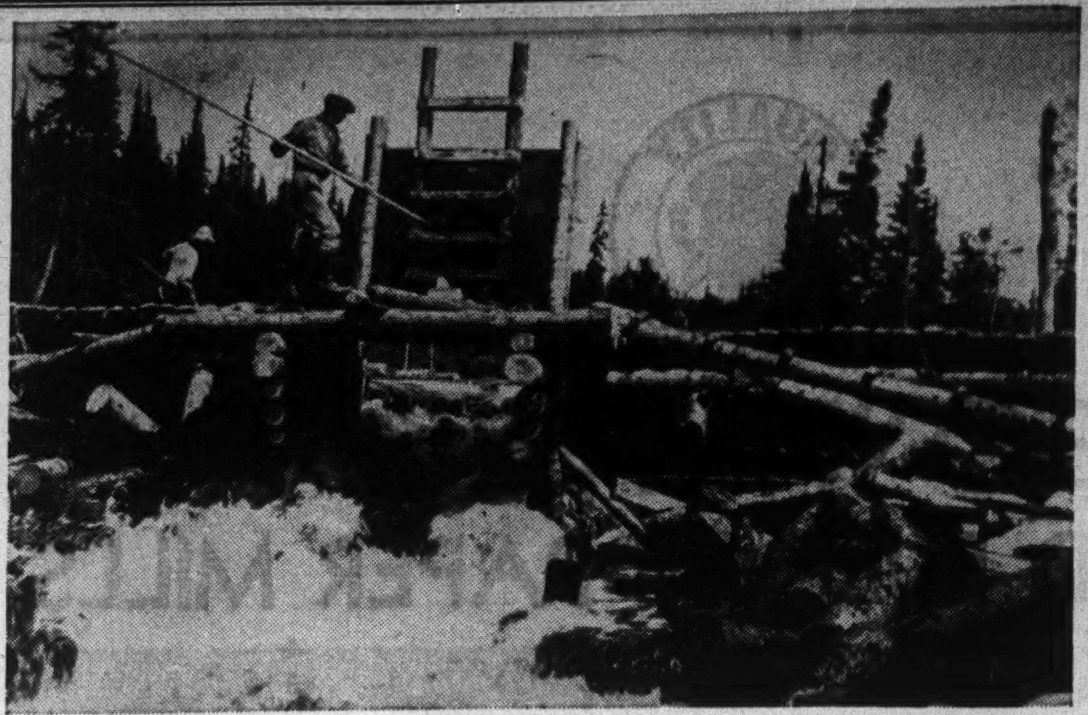
August Newsprint Returns

	August 1938	August 1937	Year to Date 1938	Year to Date 1937
PRODUCTION				
In Canada	220,303	319,876	1,682,720	2,423,830
In Newfoundland	12,977	30,304	165,801	238,355
In U. S. A.	67,436	80,431	524,668	629,487
Total	300,716	430,611	2,373,189	3,291,672
SHIPMENTS				
From Canada	204,668	326,222	1,540,657	2,312,994
From Newfoundland	20,813	28,182	145,563	196,668
From U. S. A.	66,006	75,854	515,786	625,941
Total	291,487	430,258	2,202,006	3,135,603
SHIPMENTS FROM CANADA				
To U. S. A.	162,149	245,050	1,129,745	1,821,499
To Canada	12,865	14,651	100,919	133,928
Total	175,014	259,701	1,230,664	1,955,427
To Overseas	29,654	66,521	309,993	357,567
Total	204,668	326,222	1,540,657	2,312,994
SHIPMENTS TO U. S. A.				
From Canada	162,149	245,050	1,129,745	1,821,499
From Newfoundland	5,741	9,791	33,756	63,169
Total	167,890	254,841	1,163,501	1,884,668
From U. S. A.	65,978	74,803	515,577	621,748
Total	233,868	329,644	1,679,078	2,506,416
SHIPMENTS TO OVERSEAS				
From Canada	29,654	66,521	309,993	357,567
Can. and Cornbrk.	33,161	67,730	347,688	389,320
Can. and All Nfld.	44,703	84,659	421,449	490,681

STOCKS: NORTH AMERICA

		1938	"Normal"
All Manufacturers:	End of June	287,443	269,561
	End of July	272,580	275,188
	End of August	281,809	282,919
U. S. A. Publishers:	End of June	437,158	315,444
	End of July	429,541	326,955
Aggregate Total:	End of June	724,601	585,005
	End of July	702,121	602,143

*Preliminary.



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Toronto

93 Mills in Operation

Canada has 93 pulp and paper mills, of which number 25 manufacture pulp; 44 pulp and paper, and 24 paper.

Power Bill $17.4 Millions

According to the latest returns, the pup and paper industry spends nearly $17.4 millions on electrical energy.

Use Own Pulpwood

Approximately two thirds of all wood used in the Canadian pulp mills comes from the manufacturers' own timber limits.

W&P Co

POWER
and the
PAPER
INDUSTRY

POWER is an important factor in the production of paper, consequently, abundance of power and a plentiful supply of raw material have given rise to the largest manufacturing industry in the Province of Quebec.

The original mill, located on the St. Maurice River at Grand'Mere, was established in 1887 for the manufacture of wood pulp, and ten years later the newsprint and sulphite mills were constructed, the former being the second oldest in Canada. In 1915 the plant was redesigned and power developed at this site. Eight newsprint machines are in operation, two of which were the first high speed newsprint machines to be installed in any mill in the world. The plant described produces all the groundwood and sulphite pulp necessary for the manufacture of its finished products, which are newsprint and cardboard, the capacity being 389 tons of the former and 50 tons of the latter per day.

The four mills of the Consolidated Paper Corporation Ltd., located in the lower St. Maurice, can produce 1,469 tons of newsprint per day, while the plants of the St. Lawrence Paper Mills Co. Ltd. and the Canadian International Paper Co. at Three Rivers are capable of turning out 1,140 tons, making a total of 2,609 tons daily. The St. Maurice River supplies the power for production of more than 20% of the total output of the Canadian newsprint industry.

The
Shawinigan Water & Power Company
MONTREAL - CANADA

In a relatively few years the manufacture of Cellophane has developed into an important branch of the pulp industry. Picture shows the beginning of the actual making of Cellophane film.

Pulp Production Records Big Gain

Pulp production in Canada has recorded an outstanding growth in recent years. This has been in part a reflection of a record output of newsprint and other papers. Also it has been due to the growing development of new products, such as rayon and other cellulose products. Though returns are not available, it is known that last year set an all-time record. The year previously also was one of unusual activity, as shown in the following table indicatin trend of output:

	Tons Average 1931-35	Tons 1936
Groundwood	2,076,418	2,910,338
Sulphite, bleached	325,613	429,714
Sulphite, unbleach.	600,363	739,213
Sulphate, fibre	179,228	273,494
Screenings	70,450	112,448
Other woodpulp	11,016	20,238
Total	3,263,088	4,485,445

Miscellaneous Firms

Bldg. Products

Sales of Building Products Ltd. for the current year are understood to be moderately less than a year ago, but net earnings for 1938 are expected to compare favorably with the average of recent years. Last year was an exceptionally profitable one for the company, but results may not be as good for the present fiscal period.

At the annual meeting earlier in the year, W. R. McNeil, president, stated that outlook for the company during 1938 was regarded as promising in view of the continued interest shown by the Dominion Government in low-cost housing. Demand for the company's products, which included roofing, insulation and flooring materials, he said, was greatly stimulated by the Home Improvement Plan during 1937, and resulted in the best sales volume in the history of the company.

Earnings Holding Up

Interest of the Dominion Government in low-cost housing has not shown any abatement. In June it was reported that while the actual physical volume of business handled by the company had shown a small reduction, operations were satisfactory. Further due to certain economies put into force and increased efficiency, it was reported that earnings had been fairly well maintained.

Dividends paid by Building Products last year amounted to $2.45 a share, as against $1.95 a share in 1936. The regular dividend rate was increased to $2 from $1.40 a share on Oct. 1, 1937. An extra dividend of 25 cents a share was paid in October and 50 cents extra was paid last January. The company continues to pay the regular rate of 50 cents quarterly, but so far has not paid any "extras."

It is assumed the management will await the outcome of the year's operations before deciding to make any distribution over and above the regular dividend.

Directors—P. R. Allen, chm. East Walpole, Mass.; W. R. McNeil, pres.; D. P. Hatch, vice-pres.; C. P. Cowan, vice-pres.; R. C. Crooker, sec.-treas.; Winthrop Brainerd, G. M. McKee, G. H. Montgomery, Montreal; H. R. Tudhope, Toronto.

St. Regis

St. Regis Paper Co. of Canada, a subsidiary of the American company of the same name, continues its Canadian operations on a limited basis. At one time the company engaged in extensive pulpwood operations in Quebec, the wood being shipped by water to the parent company's plant in New York State. Some years ago a plan had been started upon for the further expansion of the company's timber regions in Quebec, but this was deferred. There is no prospect of it being actively carried out in the near future.

No details are available as to extent of company's operations in Canada or the earnings derived therefrom. The parent company, which has a substantial stake in Niagara Hudson Power, reports an income of $1,188,875 for 1937. This was equal to 21 cents a share on the common, after annual dividend provisions for the preferred stock on which there are accumulations. The better financial showing last year was accomplished through operating efficiencies made possible because of the high rate of production to capacity.

During 1937, net sales, royalties and rentals, etc., rose to $18 millions from $10.6 millions in 1936, an increase equal to 41%. Federal taxes, Canadian and foreign income taxes, amounted to $371,314 against $315,317 the year before.

Canadian Wallpaper

Canadian Wallpaper Manufacturers Ltd. is the largest producer of wallpaper in Canada. A portion of the company's output is exported, chiefly to Australia and New Zealand. The company is the consolidation of four independent manufacturers in Canada, and Wallpaper Manufacturers, an English concern, holds a substantial stock interest.

Plants are at New Toronto, and Leaside, Ont., and Montreal. A new factory was completed at Leaside last year at a cost of about $400,000.

At the annual meeting on June 22, 1938, the president, Arnold Ashton, stated that business of Empire Wallpapers Limited, sales subsidiary, continued satisfactory. At this meeting shareholders approved payment of a $1 dividend on both class A and B shares. Dividend payments are based on earnings of the preceding year and on July 6, 1937, $1 a share was also paid.

Manufacturers of wallpaper in Canada benefit from a protective tariff of 32½% against United States competition and at the rate of 17½%, less 10%, against England.

In the year ended April 30, 1938, the company redeemed the balance of $112,000 of its 7% collateral trust bonds. These bonds have been held by subsidiaries and did not appear in the consolidated balance sheet. New issue of $300,000 of 4% collateral trust serial bonds was sold privately, partly to provide for the redemption of the former series and also to finance building operations of subsidiaries. The new bonds mature at the rate of $50,000 annually in each of the years 1939 to 1944 inclusive.

Directors — Arnold Ashton, pres., Toronto; G. A. Orme, Manchester, Eng.; J. T. Chasney, vice-pres., London, Eng.; J. Prescott, sec.-treas.; R. N. Boxer, E. G. Staunton, Gerald Staunton, F. M. Hulbig, F. C. Hanson, J. P. Ramsay, R. R. Sparling, R. M. McCubbin; Toronto; R. H. Gillean, C. M. Williamson, H. S. Foster, R. H. Gillean, Jr.; Montreal; A. V. Sugden, Manchester; Ralph Entwisle, London, Eng.

Sidney Roofing

Sidney Roofing & Paper Co. is a privately owned concern operating in Victoria and Vancouver. No financial statements are available.

The company makes a considerable line of different papers and paper products including groundwood pulp, boxwood, paper, felt, building and roofing papers. It is also understood that it has an important interest in the manufacture of paper boxes in British Columbia.

Miscellaneous

Stocks:

	Outstand. $	Earned Per Share 1937 $	Earned Per Share 1936 $	Div. Rate $	Price Range 1937-38 High	Price Range 1937-38 Low	Last Price	Yield %
Building Products:								
Class A (non-vot.) n.p.v.	116,345 shs.	3.00	2.24	2+.50	74¼	37	50½	4.9
Cl. B (vot.) n.p.v.	4,500 shs.				..	..	..	..
Canadian Wallpaper Manufacturers:								
Class A, n.p.v.	23,442 shs.	*1.22	*1.28	1.00	25	8	10	1.0
Class B, n.p.v	105,804 shs.				27½	12	12	8.3
*Years ended Apr. 30, 1938 and 1937.								
St. Regis Paper:								
Common, par $5	500,000	Not available		nil	..	..	..	..
All owned by St. Regis Paper Co. of New York.								

Bonds:

	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1937	Times Int. Earn. After Deprec. 1936
Canadian Wallpaper Manufacturers: Coll. Tr., Serial B	4	1939-44	300,000	Not available	

Newsprint's Balance Sheet

PRODUCTION
(Newsprint Service Bureau)

	Tons 1937	Tons 1936	Increase or Decrease in tons	Jan. to July Tons 1938	Jan. to July Tons 1937	Decrease in tons
Canada	3,647,800	3,209,016	+438,784	1,462,417	2,103,954	641,537
United States	945,721	921,408	+ 24,313	457,232	549,056	81,824
U. S. and Canada	4,593,521	4,130,424	+463,097	1,919,649	2,653,010	733,361
Newfoundland	350,142	326,449	+ 23,693	152,824	208,051	55,207
North America	4,943,663	4,456,873	+486,790	2,072,473	2,861,061	788,568

UNITED STATES IMPORTS

	Tons 1937	Tons 1936	Increase or Decrease in tons	Jan. to July Tons 1938	Jan. to July Tons 1937	Decrease in tons
Canada	2,909,360	2,434,585	+474,775	967,596	1,576,449	608,853
Newfoundland	123,344	86,910	+ 36,434	28,015	53,378	25,363
Europe	293,953	242,352	+ 51,601	*117,507	*139,780	22,273

*To end of June

APPARENT CONSUMPTION IN UNITED STATES
(Based on Reports to A. N. P. A.)

Tons 1937	Tons 1936	Increase in tons	Jan. to July Tons 1938	Jan. to July Tons 1937	Decrease in tons
3,824,641	3,691,946	132,695	1,966,645	2,343,557	376,912

APPARENT CONSUMPTION IN CANADA

Tons 1937	Tons 1936	Increase in tons	Jan. to July Tons 1938	Jan. to July Tons 1937	Decrease in tons
201,832	195,483	6,349	88,054	119,277	31,223

EXPORTS FROM NORTH AMERICA

From	Tons 1937	Tons 1936	Increase in tons	Jan. to July Tons 1938	Jan. to July Tons 1937	Decrease in tons
United States	17,059	14,597	2,462	†3,551	†7,243	3,692
Canada to U. S.	2,909,360	2,434,585	474,775	967,596	1,576,449	608,853
Canada Overseas	525,756	619,129	*93,373	280,339	291,046	10,707
Newfoundland	123,344	86,910	36,434	124,422	168,154	43,732

*Decrease. † First six months.

NEWSPAPER ADVERTISING IN UNITED STATES
(52 Major Cities—Media Records Inc.)
Agate Lines

1937	1936	Increase	Jan. to July 1938	Jan. to July 1937	Decrease
1,409,666,418	1,380,121,457	29,544,961	689,994,266	811,690,662	121,696,396

RADIO ADVERTISING IN THE UNITED STATES

1937	1936	Increase	Jan. to July 1938	Jan. to July 1937	Increase
$66,630,142	$54,670,984	$11,959,158	*	*	5.8%

*Detailed figures not available.

Current Trend More Favorable

Improvement in the United States newsprint consumption of late weeks has been slight, but the trend shows a favorable change for the first time in months. A more direct relationship between production and consumption is expected before the end of the year. Meanwhile, the July improvement was the first indication of change in trend since December, 1936.

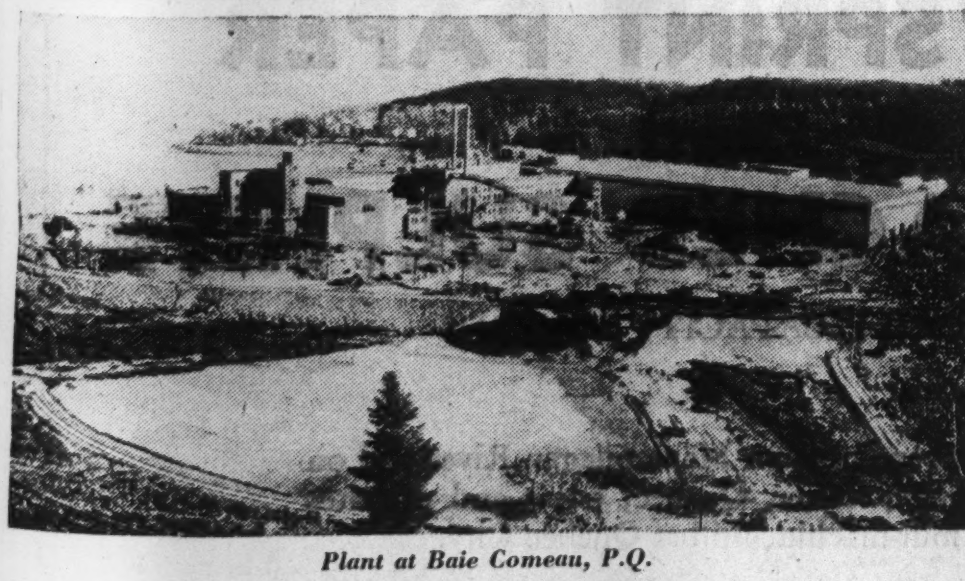
Percentage Change in U. S. Newsprint Consumption (3-Month Moving Average)

	1937	1938
January	+23.7%	+1.0%
February	+19.5%	+0.2%
March	+18.5%	—2.6%
April	+17.6%	—5.0%
May	+17.2%	—6.3%
June	+16.9%	—7.7%
July	+15.8%	—7.5%
August	+14.1%	
September	+13.1%	
October	+13.0%	
November	+8.4%	
December	+5.1%	

Crown Largest Holder Of Pulpwood Limits

Except for the Maritime Provinces only a small percentage of Canada's forest lands are owned outright by corporations or private individuals. From Quebec to the Pacific coast well over 90% of the forest lands belong to the Crown and their exploitation is on terms laid down by the respective provincial governments. The ownership of forest lands follows:

	Crown Lands %	Privately Owned %
P. E. I.	0.3	99.7
N. S.	12.4	87.6
N. B.	49.4	50.6
Quebec	91.7	8.3
Ontario	96.7	3.3
Manitoba	90.9	9.1
Sask.	92.4	7.6
Alberta	92.3	7.7
B. C.	91.6	8.4



Plant at Baie Comeau, P.Q.

Above is an illustration of the new paper mill at Baie Comeau, P.Q., where high quality newsprint is being produced for The New York Daily News.

The Mill is owned and operated by THE QUEBEC NORTH SHORE PAPER COMPANY, LIMITED, Montreal, P.Q., a subsidiary of

THE ONTARIO PAPER COMPANY LIMITED
THOROLD ONTARIO

MERSEY PAPER COMPANY, LIMITED
The Mill By The Sea
LIVERPOOL, NOVA SCOTIA

Manufacturers of Fine Newsprint

Located at Tidewater and having facilities for shipment by steamer at all times of the year to all the world's ports

Number of Employed In Industry Advances

Total employment in the pulp and paper industry increased from 1935 to 1936 by 8%, with corresponding increases in every province. Salaried employment increased by 6%, while employment furnished to wage-earners increased by 8.2%. Average annual earnings in salary decreased by 1.8%, while the average annual earnings in the form of wages increased by 5.1%.

Uses of Pulp

Groundwood pulp and unbleached sulphite are used principally in the making of newsprint. Sulphate is used for kraft papers and in some cases for newsprint, while bleached sulphite and soda are used in making book, writing and better classes of paper. Most of the screenings are used in making paper boards.

At Baie Comeau, Canada's newest paper mill, every worker owns his own home. From the forest streets, parks and playgrounds were carved and here a street is seen in the making.

—*Editorial Associates.*

FROM FOREST TO FINISHED SHEET —
made by men who
KNOW THEIR JOB!

CHENEAUX BOND

From the vast Eddy timber limits in Northern Quebec right through to the factory shipping room at Hull, Cheneaux Bond, like all E. B. Eddy Co. Products, is produced by men who are masters of their particular job.

At the mill, the uniform high quality of Cheneaux Bond is maintained by men with years of experience in all branches of fine paper making . . . whose pride of craft is an additional safeguard of the highest standards of workmanship at every stage of manufacture.

This inherent quality in all Eddy Paper Products is evidenced by their widespread acceptance and increasing use throughout the Dominion.

The E. B. EDDY COMPANY LIMITED
HULL, QUEBEC

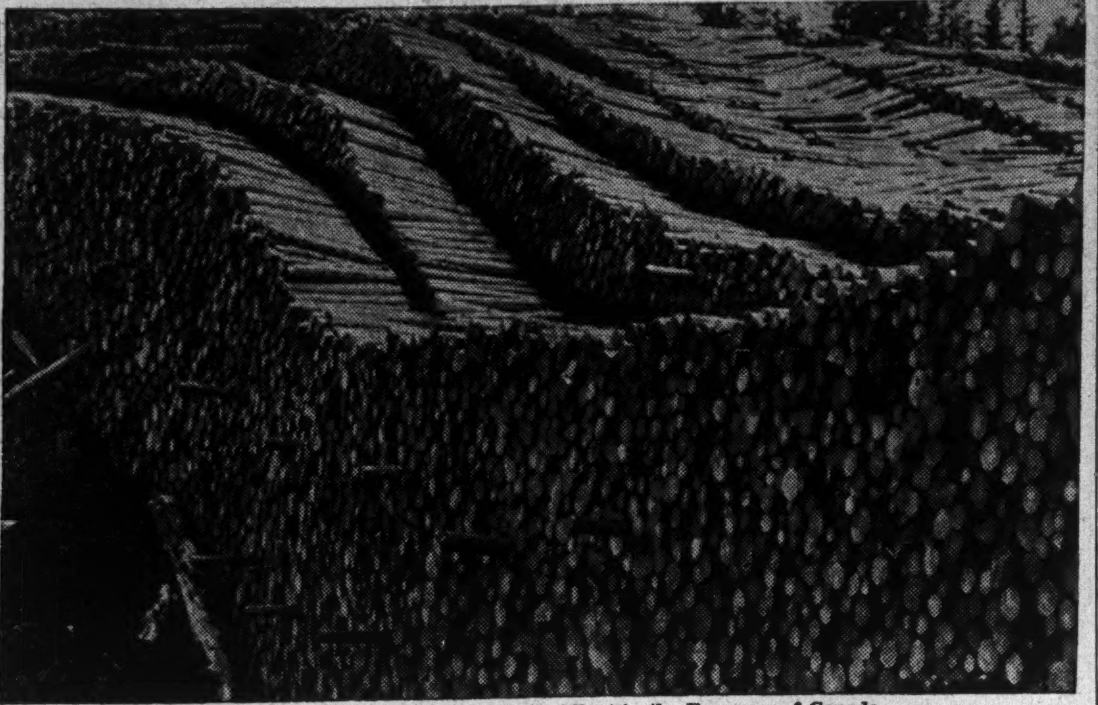
MAKERS OF
Bond, Book and Writing Papers; Toilet Tissues, Paper Towels and Serviettes; Newsprint, Wrapping Paper, etc.

Full stocks of Eddy Paper Products are carried at each of the E. B. Eddy Co. Warehouses, located at convenient points from coast to coast.

DALHOUSIE AND CHENEAUX BOND
ONLIWON INDUSTRIAL TOWELS AND TISSUES
ANCASTER AND CHATHAM BOOK
MULTISCRIP MIMEOGRAPH

Pulp Industry Develops in New Fields

Advances in Use of Cellulose Open Many Possibilities



Pulp Plays an Increasingly Important Part in the Economy of Canada

Demand for all grades of pulps has not shown any material change in recent weeks, but prices remain firm. It is the prevailing opinion in the trade that the trend now is definitely upward and that a gradual improvement may be looked for. By the end of the year expectations are that consumption of pulp, particularly the higher grades, will be higher than in the earlier part of the year.

At present the Canadian pulp mills are operating on a basis of about half to two thirds of capacity. This rate has been in effect for the greater part of the year.

Big Year in 1937

Last year operations in all branches of the pulp industry were close to effective capacity. There was an exceptional demand. Unfortunately it was predicated in part on an anticipated rise in price and the prospect of a possible shortage. The recession in the United States, the Sino-Japanese war, the slowing up of business in the domestic market, and other adverse influences, caused stocks to pile up so that there was a serious oversupply around November of last year. The working off of these excess stocks has held down production. Consequently it is reasonably certain at this time that production for the full year will be well behind that of 1937, with a consequent lowering of earnings.

Interest in the pulp manufacturing industry has undergone a remarkable change in recent years. There was a time when pulp was considered almost universally in relation to paper. While the conversion of pulp into paper still constitutes the principal outlet for the product, still the development of new uses is of great significance and completely changes the outlook on this branch of the pulp and paper industry.

New Uses Important

The amazing growth of the artificial silk industry has created a wide demand for high-grade sulphite pulps. This new textile industry can hardly be said to have reached its full growth and its ultimate possibilities are almost illimitable.

Success of the rayon industry has shown the way to other uses for alpha cellulose. Science has taken hold of this "new" material and created hundreds and thousands of products which had hitherto been unknown or has used pulp cellulose in place of other materials. Many of these new uses are still in the laboratory stage. Yet the number that have been taken up commercially warrants the prophecy of Lord Rothermere that this is the "Golden Age of Cellulose."

The future demand for pulp cellulose promises to be far in excess of the present day supply. The question of the future supply is of wide interest. Canada stands out as a principal source of supply. Hence the widespread interest in the remaining pulpwood stands and the steady increase in capacity of the existing pulp plants, building of new units, etc.

In years to come the world will look to Canada as its principal source of high-grade pulps. And as the United States is likely to be among the foremost users of cellulose products, it is natural to expect that the Dominion will be called upon to meet her requirements.

In 1900 the United States imported practically nothing in the way of raw materials. In 1910 it was importing about 500,000 tons of pulp. In 1920 it was importing one million tons; in 1930, 1,800,000 tons of pulp; and in 1937, about 2,500,000 tons. This came largely from Sweden, Finland and Norway. Only about 700,000 tons came from Canada.

The place which Canada can occupy in meeting the future pulp needs of the United States is stressed by R. A. McInnis, of Anglo-Canadian Pulp and Paper Mills and president of the Canadian Pulp and Paper Association.

McInnis Views Outlook

"Here in Canada," he says, "we have been deluged in the past three years with Europeans who are looking to making arrangements for the importation of our pulpwood and our pulp products. This is due to their knowledge that the huge demand that has developed in recent years in European mills for alpha pulps and higher grade pulps for rayon, for staple fibre and for synthetic products has caused Europeans to turn to these more profitable grades.

"The huge consumption of 14 million tons of paper products in the United States, and the certainty of the growth of this consumption is not nearly so phenomenal as the growth of the consumption of paper products in Europe.

"Canada is a large supplier of newsprint for obvious reasons, but it can hardly expect to be a competitor in these other grades of paper. But it does believe that it can and it should be the principal source of supply for the United States pulp requirements."

B. C. Pulp

Collapse of the sulphite pulp market, coupled with reduced consumption in the domestic field, forced B. C. Pulp and Paper Co. to close its Woodfibre and Port Alice plants about the middle of the year. However, in the early part of this month the company reopened the Woodfibre plant to produce some special grade pulp. Permanent operations of the plant are still indefinite, although the rayon pulp market is believed to be steadily improving.

During the greater part of last year there was a very strong demand for the company's products. In the last quarter, due to universal conditions, the demand weakened so rapidly that monthly allottments were cancelled to a large extent. Prices began to fall before the end of the year.

Despite the slowing down in the last quarter, the company had one of the best financial years in its history. Operating profits for 1937 increased by more than 100% as compared with 1936, and amounted to $1.2 million as against $532,175 the year before. Net profits for the year, after providing for an increase of $257,000 in depreciation allowance was $225,011 as against a deficit of $48,085 the year before.

Changes in the company's two operating mills were effected last year to permit the manufacture of high-grade pulp for use in rayon and allied industries. This cost the company nearly $1.2 million.

As a result of capital expenditure, working capital declined to $682,315. Furthermore the balance sheet shows construction liabilities of $228,302, which were not included under current assets and of which $209,037 were payable on or before April 30 last. In addition, a bank loan of $200,000 was secured during the year. It matures Jan. 3, 1940.

Offsetting these increased capital charges, the principal amount of 6% first mortgage bonds in the hands of the public was reduced by $49,500 to $3,130,500, while the 7% general mortgage bonds were reduced by $221,000 to $1,223,500.

The elimination of Japan as a buyer, due to the Sino-Japanese war, was an unforeseen factor and has seriously crippled operations and earnings of the company this year. While the outlook for the domestic market is more encouraging, still the company is dependent on export trade.

Directors—Lawrence Killam, pres.; George Kidd, vice-pres.; O. A. Jorgenson, treas.; R. C. Buchanan, W. H. Malkin, Cecil Killam; all of Vancouver; I. W. Killam, Montreal. Sec.—Miss E. M. Dominy.

Brown Corp.

Brown Co.'s affairs still await settlement. Last year operations at the sulphite mills in New Hampshire and at LaTuque, P.Q., were on a capacity basis and earnings showed wide expansion. This rapid change in the operating position of the company was due not only to better domestic demand, but also to substantial orders from Japan.

Betterment in operations and earnings gave rise to the hope that the financial affairs of the company would be settled and the company placed on a sound financial footing. At this time such hopes are still in the future, and while the various interests concerned with the reorganization appear to have a closer understanding, the reorganization is not an immediate prospect.

Curtail Plant Operations

Since the turn of the year, manufacturing operations of the company have undergone a marked change. Pulp exports to Japan have been suspended. While small, irregular shipments have been made to that market, the difficulty of securing the necessary foreign exchange to finance the shipments has seriously interfered with deliveries. At the same time the domestic market has flattened out, resulting in smaller demand and a drop in prices. While the current situation is a bit more hopeful, still the Berlin and LaTuque mills are operating only at part capacity and earnings for the current year will be less than a year ago.

Good Earnings Last Year

Sales of the company for the year ended Nov. 27 last, totalled $24.2 millions compared with $6.2 millions in the previous 12 months. After all charges, including deferred interest, depreciation and provision for income taxes, there was a profit of $44,249, compared with a net loss on a similar basis of $1,729,704 in the preceding fiscal year. Further it is noted that the depreciation charges were more than doubled. Had the depreciation charge been the same as in the previous year, consolidated net earnings for the period would have been $748,825, or an improvement of $2,478,629 over the preceding year.

Since the close of the year ended Nov. 27, 1937, the trustees report a marked recession in general business which had an important effect on operations and earning power. Consolidated earnings before depreciation and deferred interest for the first three four-week periods show a drop as compared with the same three periods in 1937 from $685,000 to $375,000. No financial statement have been issued by the trustees since that time, but it is generally understood that the earning trend has been even less favorable.

Put Forward Scheme

During the fall of 1937 the company brought out a scheme for the rehabilitation of the company. It provided, in the first instance, for the raising of $12.5 millions of new capital through the sale of bonds and convertible serial notes. Existing bonds were to be exchanged at par for new bonds under the old indenture, carrying the same interest, the same maturity date, secured by the same property, but with suspension of sinking fund provision for two years. All past interest and interest on interest would be paid in cash.

General claims were to be settled by payment of 50% in cash and 50% in interest-bearing notes maturing in two to four years.

The preferred stock was to be exchanged for one and one tenth shares of new 5% cumulative preferred stock, plus one share of new common for each share of old preferred.

Further the plan provided that each share of old common stock would receive five shares of new common stock, except certain holders of old common stock who voluntarily agreed to accept 100,000 fewer shares of new common than they were entitled to under the plan, this amount to be distributed to the preferred stockholders.

Bond Committee Opposed

The bondholders' committee, headed by Charles Francis Adams, of Boston, objected to the plan on the ground "that debt fixed interest charges of the reorganized company are being materially increased and a substantial part of the new debt bears early maturity."

Other security holders and creditors favored the plan of reorganization, but the inability to secure the necessary approval from the bondholders prevented completion of the plan.

Following this, the various interests got together and formed a subcommittee with a view to ironing out differences. Current reports would indicate that progress has been made along those lines, but there is no indication of a revised plan being put forward for approval by the security holders and others interested.

Hold Up Plans

The new capital which Brown Co. proposed to raise was to be used for doubling the capacity of the La Tuque plant from 300 to 600 tons of sulphite pulp daily. The expenditure in this connection was estimated at around $5 millions. Another $2 millions was needed for additional working capital requirements, while the balance would be used for improvements of the American properties.

This plan of expansion has been more or less held up. However, some improvements have been undertaken by the company. Early this year the company let a contract for the construction of a wood-barking plant at La Tuque to cost in the neighborhood of $130,000.

Officers—H. J. Brown, pres.; O. B. Brown, vice-pres. & treas.; W. R. Brown, asst. treas.

Pulp Producers

Stocks:	Outstand. $	Earned Per Share 1937 $	Earned Per Share 1936 $	Div. Rate $	Price Range 1937-38 High	Price Range 1937-38 Low	Last Price	Yield %
Abitibi: (See Newsprint Section).								
British Columbia Pulp & Paper:								
Pref. 7% cum., par $100	556,200	40.46	2.74	nil	..	..	..	..
Common, n.p.v.	100,000 shs.	1.86	d0.24	nil	..	..	..	..
Brown Company:								
6% pref. cum., par $100	10,000,000	....	....	nil	..	..	..	..
Common, n.p.v.	†400,000 shs.	....	....	nil	..	..	..	..
†All owned by officials of the company.								
Brown Corporation:								
Common	14,000,000	....	....	....	..	..	..	..
Entire stock owned by Brown Co.								
Canadian International Paper: (See Newsprint Section).								
Gaspesia Sulphite:								
Common, par $5	*320,000 shs.	....	....	....	..	..	..	..
*Authorized.								
Lake Sulphite Pulp:								
Common, n.p.v.	150,007 shs.	Not available		nil	27	3	3	..
Minas Basin Pulp:								
Preferred, 7%	222,900	Not available		nil	..	..	..	..
Common	350,000							
Port Royal Pulp & Paper:								
Common, n.p.v.	40,545 shs.	Not available		nil	..	..	..	..
Quebec Pulp & Paper:								
7% Pref. non-cum. red., par $100	7,000,000	nil	nil	nil	..	..	..	..
Common, n.p.v.	100,000 shs.	nil	nil	nil	..	..	..	..
Restigouche:								
Common, n.p.v.	*250,000 shs.	....	....	nil	..	..	..	..
*All owned by Fraser Companies.								

Bonds:	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1937	Times Int. Earn. After Deprec. 1936
Abitibi: (See Newsprint Section).					
British Columbia Pulp & Paper:					
1st Mtge. S. F. Gold	6	1950	3,130,500	2.17	1.09
Gen. Mtge. S. F. Gold	7	†1950	1,223,500		
†Interest payable May 1, 1932, to and including May 1, 1937, postponed until Nov. 1, 1940, excepting May 1, 1935, coupon which was paid in cash. Interest due Nov. 1, 1937, paid in cash. Sinking fund payments due prior to Nov. 1, 1941, cancelled.					
Brown Company:					
1st Mtge., S. F. Gold, A	5½	1946	16,732,500	1.11	nil
Do., Series B	5½	1950	4,683,000		
Interest in default on Series A from Oct. 1, 1935; Series B from Sept. 1, 1935, and protective committee formed.					
Canadian International Paper: (See Newsprint Section).					
Lake St. John Power & Paper. (See Newsprint Section).					
Lake Sulphite Pulp:					
1st Mtge. Conv., A	5½	1957	*3,000,000	Not available	
*Dated July 1, 1937, to be issued and outstanding.					
Minas Basin Pulp:					
1st Mortgage	...	....	570,000	Not available	
Serial Notes	...	....	133,700		
Port Royal Pulp & Paper:					
1st Mtge., Serial	5	1937-41	800,000	Not available	
Restigouche:					
Prior Lien, 10-yr.	6	1942	*500,000	....	....
Mtge. S. F.	6	1948	4,291,500	1.81	1.14
*Authorized; none issued.					

Minas Basin

Output of Minas Basin Pulp & Power Co., Hantsport, N.S., is expected to be 40% higher in 1938 than in 1937. Most of the production is sold to the Scott Paper Mills in the United States and sales of this company for the current year are expected to total 17,500 tons.

The larger output is made possible by an expansion programme which the company recently undertook to increase the output of its high-grade mechanical pulp to 60 tons daily. One of the principal features of this expansion programme was the construction of a new power development of an installed capacity of 2,900 h.p. on the St. Croix River. In constructing the new unit, provision was made for the installation of a further 2,900 h.p. if and when necessary.

The new power development, costing over $400,000 is being financed from earnings and reserves and by the sale of serial notes. Permanent financing will be carried out later.

In addition to the mechanical pulp output, Minas Basin Pulp produces paper cups, plates, and other articles from pulp through its subsidiary, Canadian Keyes Fibre Co.

Last year earnings of Minas Basin showed an improvement, gross trading profit amounting to $149,672. After depreciation, bond interest and other charges, but before income tax and bond amortization, profit amounted to $22,236.

In addition to its pulp operations, Minas Basin has an investment in Annapolis Basis Pulp and Power, which was increased to $21,885 last year by a further purchase of shares in that company. Also the company has acquired 555 shares of the capital stock of Maple Leaf Lumber Co.

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Air photo of Quebec four-machine-mill showing railway and tidewater shipping facilities and wood piles, pulp rafts and a part of Quebec Harbor in background.

●

Manufacturers of

NEWSPRINT PAPER and UNBLEACHED SULPHITE

DAILY CAPACITY 580 TONS

●

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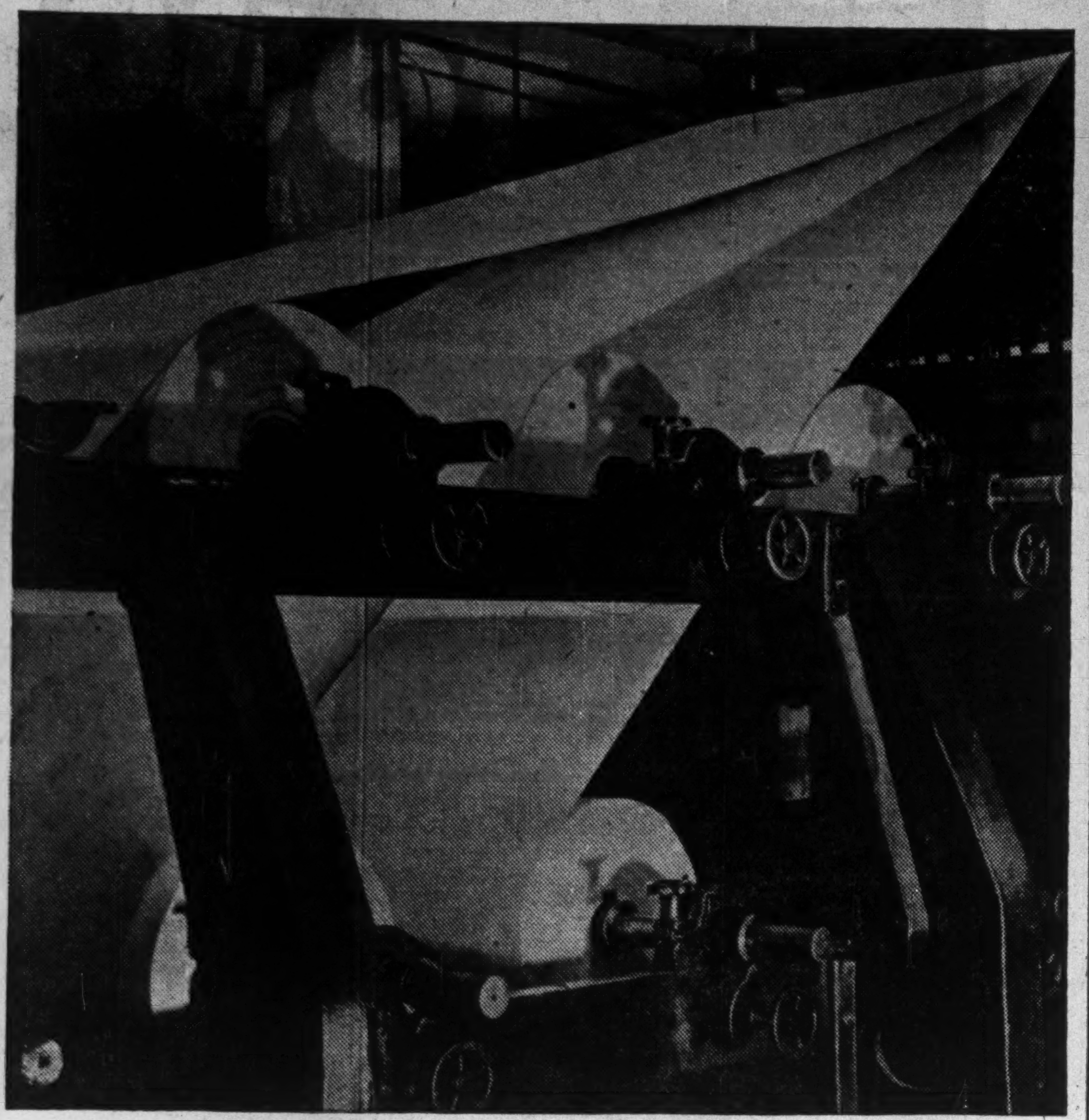
Offices at Quebec City

Direct Communication with Both Canadian Railways

PRIVATELY OWNED WHARF AT TIDEWATER

Canadian Pulp Companies Reviewed



The Making of Fine Paper

Restigouche

Restigouche Co., high-grade sulphite pulp manufacturer and subsidiary of Fraser Companies, does not publish interim statements on its operations or earnings. The returns are consolidated with those of the parent company. The latter reports earnings on a lower basis this year. For the first quarter of 1938 it is likely that Restigouche showed a profit after bond interest and depreciation, but a loss was recorded in the second three months period. Since that time there has been little change in the sulphite pulp situation, though the tendency has been toward a stronger market. A favorable income statement for 1938 will depend largely upon sales between now and the end of the year.

Did Well Last Year

Last year was a particularly favorable one for the company. Net profit totalled $195,764 as against $35,439 in 1936. Interest charges were earned 3.17 times before depletion and depreciation and 1.81 times after these charges.

As a result of the larger cash income, Restigouche was able to discharge $532,464 of deferred bond interest liabilities and to redeem $234,500 principal amount of bonds, while showing a reduction in working capital of only $193,641.

Restigouche bonds outstanding at the end of last year totalled $4,291,500. Payments of deferred interest have been completed and sinking fund provisions are being provided.

Directors—K. S. Maclachlan, pres. and gen. mgr., Edmundston, N.B.; A. W. Brebner, vice-pres., Campbellton; Donald Fraser, Plaster Rock; Harold Crabtree, A. H. Campbell, A. M. Irvine, H. P. Thornhill, Montreal; S. F. Duncan, E. G. Long, Toronto; F. C. Beatteay, Saint John; Hon. R. B. Hanson, Fredericton. **Treas. & sec.**—L. M. Sherwood.

Port Royal Pulp

Efforts are being made to bring about a reopening of the Port Royal Pulp and Paper Co.'s mill at Fairville, N.B.

This company subcontracted to supply Japanese mills with a large quantity of high-grade rayon pulp. It was anticipated the order would keep the mill in operation steadily for some time to come. Unfortunately the Japanese were unable to secure sufficient foreign exchange to cover the cost of pulp purchases, with the result that the Port Royal Pulp had to shut down its plant.

Outlook for the company and resumption of normal operations depends, of course, upon re-establishing contacts with the Japanese market or in developing new outlets. In view of the oversupply of rayon pulp the prospects of the latter are not encouraging.

Buy Less Pulpwood

Purchases of pulpwood by the company this season will total about 20,000 cords, or around half of last year's purchases, along the St. John River. It is indicated the company does not anticipate resuming full-time operations in the immediate future.

Last fall Port Royal Pulp issued $625,000 of 5% first mortgage serial bonds. Over half of the proceeds of this issue were used to retire an old issue, while the remainder was used to cover capital expenditures made in connection with changing over the plant for the manufacture of rayon pulp and for general corporate purposes.

Quebec Pulp

Quebec Pulp and Paper Co.'s groundwood pulp plants continue inoperative despite frequent statements by Premier Maurice Duplessis that arrangements were being made to have the property taken over by new interests.

Quebec Pulp owns mills at Chicoutimi and Val Jalbert. In addition to valuable freehold timber limits, the company has important developed and undeveloped water powers.

It is out of the question for new interests to take over control of the property, even with Government sanction, without considering the claims of the preferred shareholders. While the company has been operating at a loss for many years, its properties are of considerable value. This is recognized by Premier Duplessis, who said at a political meeting held in Chicoutimi last May, that in the event of a reorganization following operations of the property by new interests, the preferred shareholders will be paid $2,250,000.

Preferred Ranks Senior

At present the company has outstanding $7 millions of 7% non-cumulative preferred stock. No dividends have ever been paid. At the end of 1937 there were current assets of $543,566, of which $530,000 represents Dominion of Canada bonds. Current liabilities total $1,149,914, of which $1,097,178 represent a reserve for Province of Quebec claims. The properties are carried on the books at $6.5 millions.

In view of the present situation existing in the pulp industry, more particularly groundwood pulp, there is little prospect of new interests advancing the necessary capital to reopen the mill at this time. If there were any prospects of re-establishing the company on a sound operating footing, the interests controlling the common stock might be willing to put up the needed capital. The common is jointly owned by Consolidated Paper Corp. and Price Bros. and Co. Public interest is confined to the preferred stock.

Officers and Directors—A. S. McNichols, pres., Montreal; C. R. Whitehead, vice-pres., Montreal; and Maj. Edward Flynn, vice-pres., Kenogami, Que.; G. M. McKee, J. G. Porteous, George Henderson, Montreal; A. M. Knill, Col. C. H. L. Jones, Quebec. **Treas.**—Oswald Brand. **Sec.**—J. M. Carignan.

Gaspesia

Mill operations of the Gaspesia Sulphite Co. are on a restricted basis.

Production is confined to the manufacture of high grade sulphite pulp, the market on which has been depressed for several months past. Toward the end of 1937 the market was oversold and during the first half of 1938 buyers limited purchases while using up surplus stocks and coping with the problem of liquidating pulp bought for future delivery. All this had its effect on operations of Gaspesia Pulp, which has had to limit operations.

No official information is available on sales or earnings. The company was financed privately by the Rothermere group which acquired the property toward the end of 1936 or the early part of 1937. Control is held by Anglo-Newfoundland Development Co.

Took Over Chandler

Gaspesia Pulp is not a new enterprise. The company took over from the Quebec Government the old Chandler Pulp mill which had been lying idle for several years. A large sum of money was spent in reconditioning the plant and arranging for the necessary wood supply.

The mill went into operation toward the end of July a year ago and until the present slump operated close to capacity.

Lake Sulphite

Lake Sulphite Pulp Co. is still in bankruptcy. How soon it is reorganized and put on a sound financial basis, depends upon how quickly the sulphite market recovers.

The history of this company has been most unfortunate, financially. The company came into being in the early part of 1937 with promising prospects. The rapidly widening use of sulphite pulp assured a ready market for the company's output. Unfortunately the original plans were not adhered to and the taking on of additional commitments together with the underestimating of costs, resulted in bankruptcy before production was started.

Plans called for the construction at Red Rock, Ont., of a sulphite mill with an initial capacity of 200 tons daily, or 60,000 tons yearly. In order to finance the project, 150,000 common shares were sold at $26.50 a share. In addition, the company planned to issue $3.5 millions of 5½% first mortgage convertible bonds. Before this additional financing was undertaken, it was necessary to secure more money and $1,250,000 of 6% convertible notes were sold. Even with the money to be raised by the sale of the mortgage bonds, it was found that the company still had insufficient capital to start operations. Last February the company was put into receivership.

There are three major obstacles to overcome before the property can be put into operation. Some arrangement will have to be made with the creditors, and, as yet, no decision has been reached as to the best method of dealing with this liability.

It is understood that the underwriting of $3.5 millions of first mortgage bonds can be accomplished successfully.

In addition to the funds to be received from the underwriting of the bonds, about $1,250,0000 will be required to complete the project. This sum may have to be raised through issuance of common stock. This means that the new interests putting up the money will want control of the company. Consequently it will be necessary for existing shareholders to make a sacrifice if the new money is to be forthcoming.

There is also the probability of selling part of the Nipigon limits to an American group who are interested in exporting pulpwood.

To date the receiver and liquidator have devoted their energies to conserving resources of the company. No firm offer has been put forth for the reorganization, though it is understood that at least two groups would be interested in supplying the needed capital under favorable conditions.

Directors—R. O. Sweezey, chm.; John Stadler, pres.; Joseph Simard, Montreal; B. L. Smith, G. C. Leitch, J. W. McColl, F. Connell, Toronto. **Gen. mgr.**—J. B. Beveridge. **Sec.-treas.**—W. H. Hurd. **Liquidator**—D. McK. McClelland, Toronto. **Receiver and Manager**—G. S. Currie, Toronto.
Inspectors—C. N. Salvisburg, Hamilton; E. I. Jenking, Charles Wadge and Eric Willis, Toronto; N. C. Polson and G. S. Burden, Montreal.
Shareholders' Committee—G. G. Blackstock, Peter Campbell, Toronto; G. S. Burden, J. McL. Stephens, N. C. Polson, Marius Doye, Montreal; Harold Freeburne, Hamilton.

Stock Value Low

Lower Operations, Market Uncertainty War Scares Affect Paper Securities

From Our Own Correspondent

MONTREAL.—Interest in pulp and paper stocks has not waned, but the very sharp decline in values over the past year and the seeming inability of the securities to "get going" has tended to discourage those who have shown their faith in the industry by investing capital in it.

Much of the falling off can be attributed to war scares and the general market unsettlement, but also to the fundamental position of the industry itself.

From 1933 to 1935 there was a gradual but steady improvement in all branches of the pulp and paper industry. It was not especially noticeable, but the signs were there for those who were able to interpret them. During 1936 confidence in the industry was greatly restored and investment speculative interest reached higher heights than possibly for the previous 6 or 7 years. By the end of that year interest was widespread and in the early part of 1937 stock values touched high levels.

The sharp advance in security values up to the spring of 1937 was predicated upon a number of factors. Investment buying was heavy. The industry offered great possibilities for capital appreciation, re-establishment of earning power, regular interest and eventually dividends on the junior securities. To the end of the first quarter in 1937 there was certainly every reason for buying into the pulp and paper industry.

Values were added to by speculative interest. Steady rise in quotations based upon investment buying brought about exaggerated reports as to earnings; distorted views as to future possibilities and a flood of propaganda to buy from brokers who saw only the short term outlook. Unquestionably a great deal of the speculative buying was done with little forethought. It was simply another exhibition of the age-old urge to get in on a rising market with little consideration of the equity and earnings behind the securities purchased.

When conditions reversed this speculative group "got out." They sold because they were thinly margined and could not afford to hold the stock or because the promises of gain were too far in the future to satisfy them. Consequently values dropped sharply, leaving the investment buyer with a heavy "paper" loss on his holdings and wondering if the industry had not let him down again as in 1928.

Better Outlook Today

There are many fundamental differences between the situation existing in 1928 and that of today. Then it was a case of over-expansion, dropping prices and after 1929 a curtailment of consumption.

Currently the industry is not overexpanded; prices are higher and holding; and consumption is satisfactory. The trouble at present is due to the building up of excessive stocks in 1937 in anticipation of a price rise. When these stocks are liquidated, production and shipments will be more closely correlated to consumption. On that basis the operators will be able to step up production and again show reasonable earnings.

	1937		1938		
	High	Low	High	Low	Current
Abitibi, com.	15⅛	1¼	4¾	1	2⅜
Do., pfd.	80	14	29	9⅛	17
Bathurst, A	24½	9½	11¼	6½	7½
Consolidated Paper	24½	5⅛	9⅛	3⅝	5⅝
Donnacona, A	19½	5	8½	3¼	5
Dryden	26¾	7	8½	7½	5
Great Lakes	25½	7	13	4½	6¾
Howard Smith	34¼	11¾	18	10½	11½
Maclaren	37¼	27	17	7	10
Price Bros., com.	43½	11½	20	8⅝	12¾
Do., pfd.	59	45	55⅛	35	49
St. Lawrence Corp., com.	15¼	3¾	6⅜	2⅝	3⅝
Do., pfd.	39¾	12	20¼	8½	13
St. Lawrence Paper Mills, pfd.	97	34	58½	24	41

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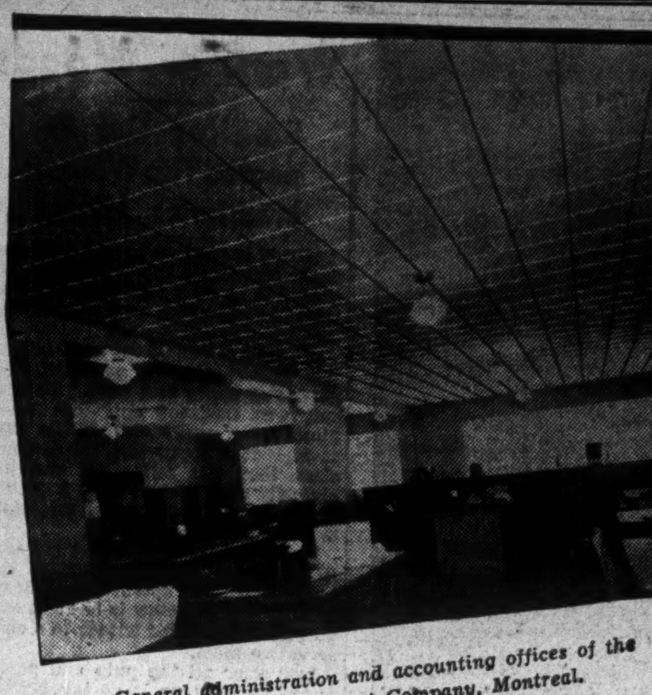
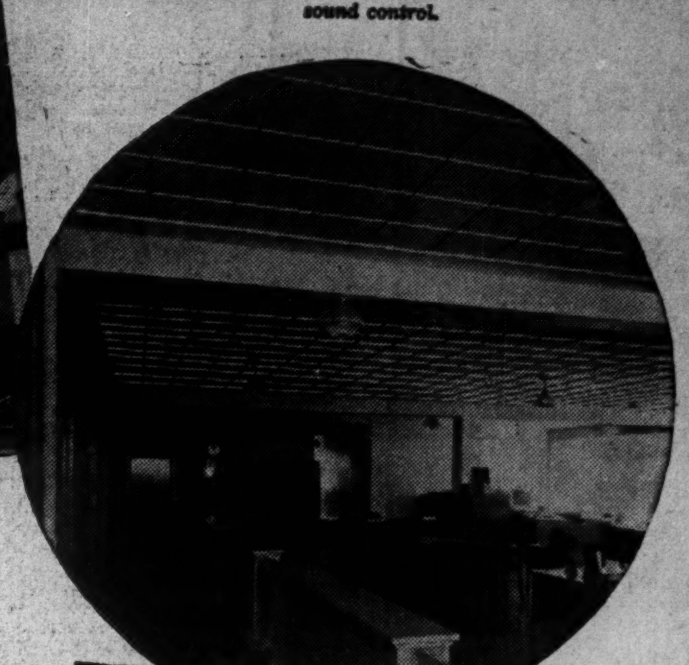


General administration and accounting offices of the Provincial Transport Company, Montreal.

Another view of offices showing TEN/TEST ashlar block treatment on ceiling for decoration and sound control.



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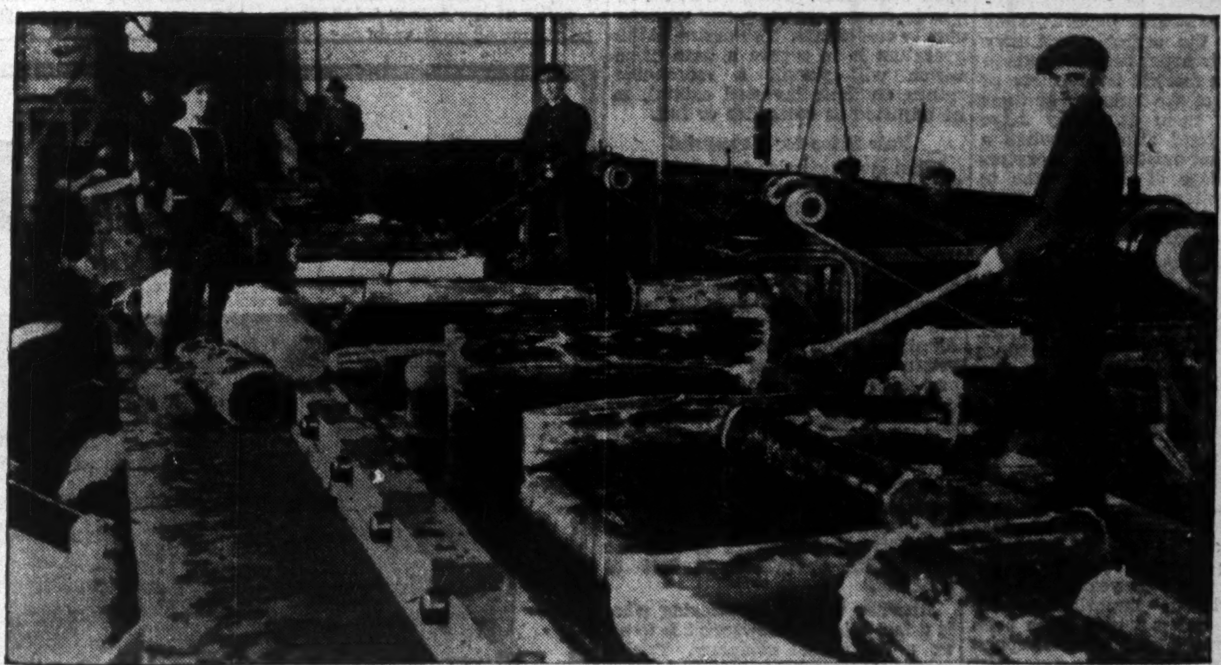

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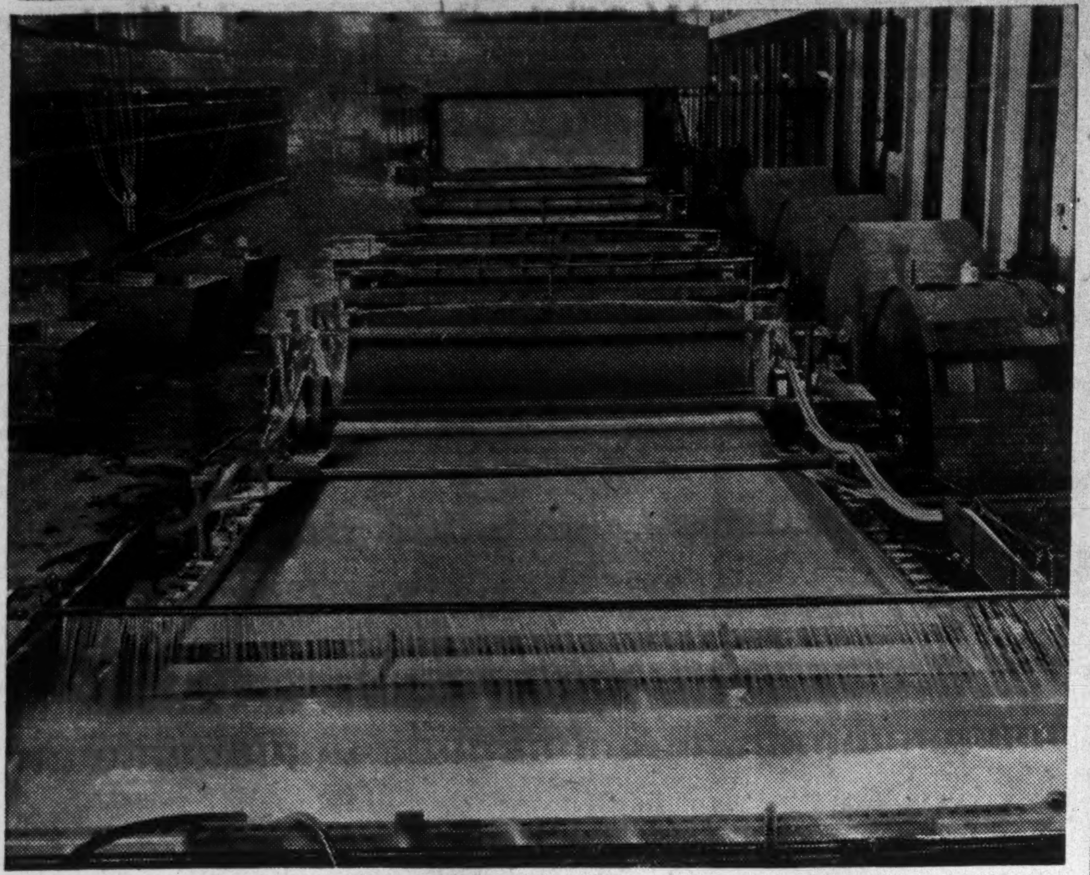


The Wet End of a Paper Machine

Fair Price for Newsprint

Wide Difference of Opinion Persists Between Publishers and Mill Operators

Newsprint prices form one of the most contentious subjects in the relations between the manufacturer and the publisher. There is no argument over the quality of the paper or the regularity of supplies. But when it comes to an agreement on what is a fair price for newsprint, there is a wide difference of opinion.

Since 1932 the price of newsprint paper has been too low. If any confirmation of this were needed, it is only necessary to examine the financial returns of the operators. Earnings of even the most efficient and most economical operator have been wholly inadequate in relation to the actual capital invested. As a consequence several companies were forced into bankruptcy. Others paid fixed debt charges only with the greatest difficulty, while by and large no returns were made on the capital stock.

Opposition of Publishers

The decline in production and the excess capacity of the industry no doubt was in part responsible for this showing. From 1932 to 1934 the age-old law of supply and demand was in force. Since then, however, rising costs, improving demand, etc., have warranted better prices but the determined opposition of the publishers kept prices from making any material advance, until this year when the contract rate was put to $50 a ton on a New York delivery basis.

The opposition of the publishers to the setting of what the producers regard as a fair and adequate price for their product has been led by such large buyers as Scripps-Howard and the Hearst papers. They have taken the attitude that they will buy their paper requirements in the cheapest market irrespective of the welfare of the industry or their dependency upon it. They have taken the stand also that when a sellers' market existed, the operators took advantage of the situation to exact exorbitant prices for their product, so that they are only "balancing the scales."

Prices Out of Line

Newsprint is an international commodity and its price should be in line with the trend of commodity prices. In recent years newsprint values have swung seriously out of line with wholesale prices generally.

The price index for newsprint—1926 equals 100—reached a peak of 155.1 about a year later than the general wholesale index for all commodities, which reached 155.9 for 1920. It is notable, however, that the index for newsprint prices never exceeded, and in fact did not quite equal, the general index in the immediate post-war years. The fact is not without importance with respect to claims which have been made regarding excessive newsprint prices at that time.

Newsprint prices actually were too high, in relation to other commodities, from 1921 to 1925, but the apparent discrepancy is explained by the fact that most newsprint is sold under forward contract. Hence the price established in one year governs sales throughout the next 12 months.

From 1925 to 1932 the correspondence of the newsprint and general indices was fairly close, but from 1933 to 1937 newsprint prices fell far below other prices, with consequences to the industry which are well known.

For the current year the contract price of $50 is well above the 1937 level. Based upon the U. S. general commodity index, the current price is equivalent to 103, whereas the all commodity index is 121. Thus despite the relatively sharp advance last year newsprint prices still are out of line with the trend for all commodities.

Differences of Views

This brief survey of the trend of newsprint and commodity prices is not without interest, but the concern of the publisher is whether or not he is paying too much for his paper, while the producer wants a price that will enable him to make a profit commensurate with his capital investment.

The publisher naturally will not pay any more than he has to for his paper. The ability of the producer to secure what he considers an adequate price is dependent upon many factors; his costs, competition, market supply, demand, etc.

Dollar Returns Limited

There is no argument to the general statement that in the past 10 years the newsprint industry has not made money. During that period the return has been wholly out of proportion in relation to the capital investment.

The manufacturers have shown a desire to co-operate with the publishers in arriving at a mutual understanding on a basic price for newsprint, such price to be adjusted upward or downward dependent upon conditions. The publishers, as a body, have not shown any willingness to co-operate. The desire of the operators is to secure a base price which will permit a reasonable return on their invested capital, to be adjusted as costs rise or fall.

Fair Price for Newsprint

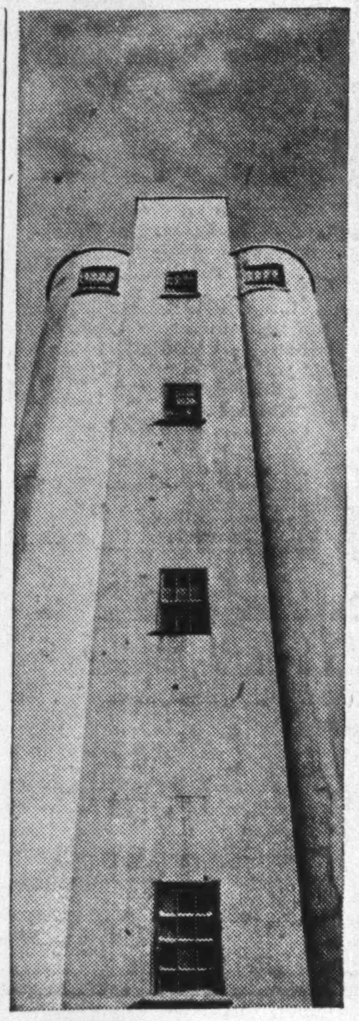
What is a fair price for newsprint? It is not possible to give an outright answer. Under present conditions the price of $50 probably would be a fair one if the mills were operating at capacity. Obviously capacity operations are not possible for any lengthy period. Nor would it be in the best interests of the publishers. A reserve supply of capacity must be retained as a matter of efficiency and to take care of any advance in demand. It is believed that the most effective rate for the Canadian newsprint industry would be around 75% of capacity.

If the industry is to retain spare capacity to meet any increase in demand, then the $50 price for the majority of producers is not too great with operations at 75% of capacity.

Another way of considering what is a fair price for newsprint is to set up a theoretical company. Taking what is generally accepted as a reasonable figure for setting up mill of average capacity and allowing for working capital and timber limits, $50 a ton is not an excessive price for newsprint.

Bartering Only Basis

As long as there are publishers who adhere to the buying policy of Scripps-Howard and others, it will not be possible to arrive at a mutual price basis for newsprint. Market conditions and the ability of the producers to meet the organized opposition of the buyers will determine the selling price.



The chemical side of the pulp business—acid towers at the Restigouche mills of the Fraser companies.

—C.I.L. photo.

Fine paper—counting sheets of sulphite bond paper at a Canadian mill.

Work in Woods

Smaller Cut Expected This Winter: Inventories Higher

Woods operations by the pulp and paper companies this winter are expected to be on a restricted basis, at least in comparison with the activity that prevailed last year.

A year ago conditions were still in the "boom" stage for practically all grades of paper and pulp. The result was that the operators made plans for a heavy cut. While 1937 saw a record production, the demand since then has fallen off and the majority of operators have a goodly supply of wood and other materials to meet current demands.

The trend for 1939 is not yet sufficiently developed to warrant extensive woods operations. Consequently the tendency is to limit logging operations this winter to a conservative scale.

Last year all the pulp and paper operators built up large inventories in anticipation of a continued demand and rising prices. In some instances, the rise in inventory values was quite impressive. Supplies of materials and finished products at the end of 1937 totalled at least $17 millions more than at the close of the previous year.

Report Bigger Inventories

A list of the principal operators and their inventory position follows:

Inventory Position‡
January 1

	1938 $	1937 $
Abitibi	4,814,742	3,072,701
Bathurst	1,330,096	1,220,399
B. C. Pulp	1,074,073	555,853
Brompton	1,057,470	691,602
Consolidated	*9,273,048	*5,839,734
Donnacona	793,182	553,505
Dryden	329,261	327,341
Fraser Cos.	4,294,827	2,923,619
Great Lakes	567,781	690,209
Hinde & Dauch	648,994	438,918
Howard Smith	2,386,232	2,124,316
Can. Inter. Paper	19,043,084	15,792,563
Lake St. John	1,370,072	1,027,527
Mersey	785,276	663,222
Price Bros.	*8,168,027	*5,473,468
Provincial Paper	1,114,659	976,755
Rolland	727,958	611,750
St. Lawrence Paper	1,699,036	1,127,675

*March 31.
‡Including advances on logging.

Work Off Supply

Since then a considerable proportion of these inventories have been worked off. However, the operators made heavy advances on logging for the 1937-38 season and this wood will be available for production next year.

In the event that demand shapes up well next year, it is always possible for the operators to increase their wood purchases from settlers. Sufficient wood could be had from this source to tide them over any shortage that might develop in the event that demand for paper and pulp moves ahead faster than anticipated.

Pulp & Paper Trade Shows Big Surplus

Average value of Canadian exports of domestic wood, wood products and paper, exclusive of books and printed matter, during the period 1931-35, was more than 11 times as great as that of imports of these commodities. In 1936 exports were more than 13 times as valuable as imports. The ratio was even greater in 1937. Hence, says the Dominion Forest Service, well over 90% of the funds obtained from the sale of forest products abroad was available for purchases of commodities of other kinds, or for other purposes, such as the offsetting of debits arising from other international transactions.

Record Pulp Output in 1937

More pulp was produced in Canada in 1937 than in any other year of the industry's history. The total was nearly five times as much as was produced in 1915 and nearly 15 times the quantity turned out in 1908.

U. K. Biggest User of Paper

The United Kingdom leads all other countries in the world in the per capita consumption of newsprint. The United States is in second place, the Antipodes third and Canada fourth.

Capital $540 Millions

Capital invested in the pulp paper industry totals around $ millions. Quebec accounts for $ millions; Ontario $171 millions; British Columbia $46 millions and other provinces $58 millions.

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and

Sulphite Pulp

Paper Mill at Fort William, Ontario

Toronto Office—204 Richmond Street West

THE Great Lakes Paper Company mill at Fort William, Ontario. The loading dock, from which paper goes by vessel to the Great Lakes ports is shown. A coal dock and paper warehouse have been constructed since this photograph was taken. The three wood piles contain up to 75,000 cords of pulpwood.

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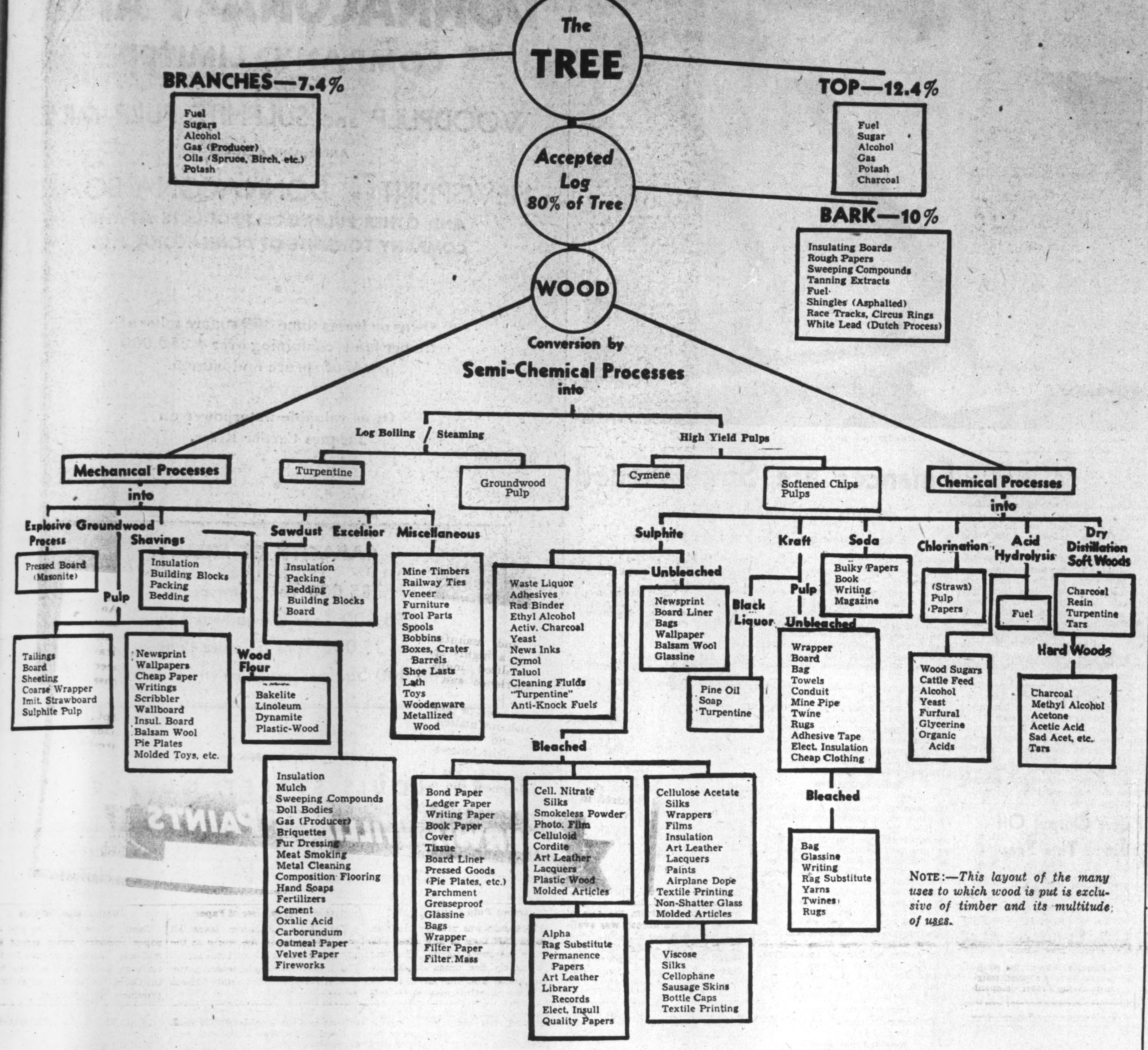
Evidence of White Man's "Magic"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BRANCHES—7.4%
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Potash
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Turpentine
Groundwood Pulp
Cymene
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Mechanical Processes
into
Explosive Groundwood Process
Pressed Board (Masonite)
Shavings
Insulation
Building Blocks
Packing
Bedding
Pulp
Tailings
Board
Sheeting
Coarse Wrapper
Imit. Strawboard
Sulphite Pulp
Newsprint
Wallpapers
Cheap Paper
Writings
Scribbler
Wallboard
Insul. Board
Balsam Wool
Pie Plates
Molded Toys, etc.
Wood Flour
Bakelite
Linoleum
Dynamite
Plastic-Wood
Sawdust
Insulation
Mulch
Sweeping Compounds
Doll Bodies
Gas (Producer)
Briquettes
Fur Dressing
Meat Smoking
Metal Cleaning
Composition Flooring
Hand Soaps
Fertilizers
Cement
Oxalic Acid
Carborundum
Oatmeal Paper
Velvet Paper
Fireworks
Excelsior
Insulation
Packing
Bedding
Building Blocks
Board
Miscellaneous
Mine Timbers
Railway Ties
Veneer
Furniture
Tool Parts
Spools
Bobbins
Boxes, Crates
Barrels
Shoe Lasts
Lath
Toys
Woodenware
Metallized
Wood
Chemical Processes
into
Sulphite
Waste Liquor
Adhesives
Rad Binder
Ethyl Alcohol
Activ. Charcoal
Yeast
News Inks
Cymol
Taluol
Cleaning Fluids
"Turpentine"
Anti-Knock Fuels
Unbleached
Newsprint
Board Liner
Bags
Wallpaper
Balsam Wool
Glassine
Bleached
Bond Paper
Ledger Paper
Writing Paper
Book Paper
Cover
Tissue
Board Liner
Pressed Goods
(Pie Plates, etc.)
Parchment
Greaseproof
Glassine
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Filter Paper
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Pulp
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Board
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Towels
Conduit
Mine Pipe
Twine
Rugs
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Glassine
Writing
Rag Substitute
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Twines
Rugs
Soda
Bulky Papers
Book
Writing
Magazine
Chlorination
(Straws)
Pulp
Papers
Wood Sugars
Cattle Feed
Alcohol
Yeast
Furfural
Glycerine
Organic
Acids
Acid Hydrolysis
Fuel
Dry Distillation Soft Woods
Charcoal
Resin
Turpentine
Tars
Hard Woods
Charcoal
Methyl Alcohol
Acetone
Acetic Acid
Sad Acet, etc.
Tars

NOTE:—*This layout of the many uses to which wood is put is exclusive of timber and its multitude of uses.*

World Newsprint Picture

All-Time Record Set in 1938 as Canada Continues to Hold Lead

World newsprint production established an all-time record in 1937 and Canada, as usual, maintained her position by a wide margin as the leading source of supply. According to the Newsprint Service Bureau there were 8,971,000 tons of news paper manufactured last year. This contrasted with 8,215,000 the year before and with the 10-year average from 1928 to 1937 of 7,257,000 tons.

Canadian production touched an all-time record—3,645,000 tons. This was nearly 500,000 tons more than in the preceding year and more than 1,000,000 tons more than the 10-year average. The United Kingdom continues to hold second place, having passed the United States in 1935. For the second year in succession that country produced more than 1,000,000 tons.

In comparing the returns for the past two years it is interesting to note that France has passed Japan, while Norway beats out Russia. Even more interesting are the changes that have taken place since 1928. The United States has dropped from second to third place, being replaced by the United Kingdom. Finland has moved up from seventh to fifth position. Japan has dropped back from fifth to seventh place, though production has increased. During the 10-year period Mexico and Denmark abandoned the manufacture of newsprint; Hungary and Bulgaria joined the list of producers. The United States, Latvia and Estonia reported a smaller output in 1937 than in 1928, but all other countries reported an increase.

World Production of Newsprint Paper
(Thousand short tons)

Country:	1937	1936	Depression Low 1932	Pre-Depression High 1929	1928-1937 10-Year Average
Canada	3,645	3,190	1,914	2,729	2,595
Great Britain	1,033	1,004	790	637	818
United States	946	921	1,009	1,392	1,094
Germany	521	525	450	623	517
Finland	459	402	254	217	294
France	424	331	275	210	291
Japan	413	384	272	286	318
Newfoundland	353	328	272	256	295
Sweden	303	282	257	275	269
Norway	212	200	200	189	181
Russia	192	217	125(?)	48(?)	130(?)
Netherlands	97	91	85	77	86
Italy	66	69	74	52	66
Austria	62	57	53	62	57
Belgium	57	53	40	57	49
Czechoslovakia	54	46	40	47	43
Switzerland	50	44	45	48	45
Poland	44	32	23	23	29
Spain	18(?)	18(?)	65	30	40
Latvia	8	7	5	4	5
Estonia	7	7	6	27	13
Hungary	4	..	..	..	..
Chile	2	7	..	..	2
Bulgaria	1	..	..	..	..
Mexico	..	..	13	19	13
Denmark	..	..	9	11	7
Total output	8,971	8,215	6,276	7,319	7,257

Source: Newsprint Service Bureau.

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MONTREAL CANADA

Scott Paper Co. Sales Expand 18%

MONTREAL.—Scott Paper Co., which has contracted for an increased proportion of the output of the Minas Basin Pulp and Paper Co., reports to its stockholders that the favorable sales trend established early in the year continued to be maintained. Net sales for the first eight months of 1938 were 18% greater than in the like period last year.

While production in July was not quite up to peak levels attained earlier in the year, August showed an improvement and enabled the company to make some progress in reducing the heavy volume of unshipped orders on file.

Canada and World Newsprint

World production of newsprint in 1936 has been estimated at 8.2 million tons. North America supplied about 4.4 million tons, or about 54% of this total, Canada alone contributing almost 39% of the world's total.

Lumber Outlook

B.C. Sawmill Operators Discouraged by Present Prospects

From Our Own Correspondent

VANCOUVER. — Market uncertainties brought about by war tension overseas have cast a cloud over British Columbia's export lumber trade.

Demand has fallen off appreciably during the past week or so, and prices have continued low. Sawmill operators, discouraged by months of production at a slim margin of profit or no profit at all, see little in the prospects for the immediate future to warrant encouragement.

But so far none of the larger sawmills have shut down. Most of the mills are on single shift, but operating on a normal production basis.

"We're not making any money at present prices," one operator said. "But we figure to lose more if we close down. It costs a lot of money to get a mill back in tune after a shutdown."

Although July shipments from British Columbia to offshore markets reached an all-time high level of 104,000,000 board feet, indications are that August returns will show a substantial reduction—of possibly 20,000,000 feet.

Month-to-month figures on exports issued by Pacific Lumber Inspection Bureau do not always give a complete picture of the lumber situation, because in the ebb and flow of orders and deliveries the monthly statements often give credit to certain months for orders that should properly be given to another. Over a several months period, however, they give a fair representation of the business done, and for the balance of the year B. C. exporters expect that a pronounced downward trend will be shown, unless political events in Europe take a very much more cheerful tinge.

U.S. Kraft Liner Board Advanced $2.50 a Ton

MONTREAL. — American manufacturers announce to the trade an advance of $2.50 a ton in the price of kraft liner board, to become effective Oct. 1. This will increase the minimum price to $45 a ton, from the currently quoted price of $42.50 per ton.

More Pulpwood Needed

From 1908 to 1936 domestic consumption of Canadian pulpwood increased almost 12-fold in actual quantity and while it made up only about a third of the total cut in 1908, now forms over 82%.

Quebec Greatest User of Canadian Pulpwood

Quebec, producing the bulk of the pulp, used the greater part of the pulpwood in 1936, taking almost 49% of the total. Ontario used 28%, British Columbia almost 8% and Nova Scotia, New Brunswick and Manitoba together, the remaining 15%. Increases were reported in total quantity, total value and average value per cord of pulpwood consumed in 1936 for the Dominion as a whole, and in each of the pulp-producing provinces, except in British Columbia, where the average value remained at $6.42 per cord. The average value was highest in Ontario at $7.90 and lowest in New Brunswick at $5.97 per cord.

Heads Manufacturing Industries

With regard to the net value of production, the pulp and paper industry has headed the list of Canadian manufactures since 1920, when it replaced sawmills.

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Mills at
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East Angus, Que. *Bromptonville, Que.*

HEAD OFFICE—1027 Canada Cement Building, MONTREAL

Pulpwood for a Century

Proper Conservation Needed

—Supplies Now More Remote

Canada's supply of pulpwood is sufficient to last more than a century at the current rate of cutting. But this wood is spread right across the Dominion and a goodly proportion is economically inaccessible.

While the existing mills do not face any shortage of wood in the near future, still the time is not far away when serious consideration must be given to future supplies. As the cutting goes on the woods operations draw away from the mill and the cost of transportation and other factors make for more expensive wood.

This trend has been going on for some years though in a mild form. The increasing cost of getting out pulpwood has been met by more efficient operations.

Require Remedial Measures

However, the increasing remoteness of supplies for industry and the local shortages of wood for domestic use tnat now exist require the institution of remedial measures. These measures are of three kinds, says the Dominion Forest Service, namely:

(1) Reduction of losses from fire and pests through improved forest production and salvage of damaged material;

(2) Increase of the rate of growth on the most accessible forest lands by application of the principles of silviculture;

(3) Development of means of transportation which will facilitate the tapping of areas now inaccessible to industry.

Drain Will Increase

The rising world-demand for cellulose products, together with the suitability of some of the principal Canadian species for their manufacture, makes it probable that the drain on the Dominion's forests will tend to increase in future, says the Service. The experience of European countries forces recognition of the fact that Canada can only afford to maintain a permanent industry of a certain size. Until that size is known the position will continue to be obscure and unsatisfactory.

It is quite possible that, because of favorable climatic and other conditions, overcutting alone will never totally destroy our forests as such; but it must also be borne in mind that too high a rate of depletion can very easily reduce their economic value to negligible proportions.

Costs of Operations

The question of future pulpwood supplies has also been carefully considered by the Quebec Forest Industries Association. After referring to published statistics the Association says there are other features which do not lend themselves so readily to statistical presentation, but merit serious consideration. The association refers particularly to the relative cost of each phase in the operation of converting the standing timber into the finished product for delivery to the consumer.

These costs are classified as follows:

Cost of harvesting and transporting the timber to the paper mill or other point of manufacture.

Government taxes.

Power costs.

Cost of converting pulpwood into the finished product.

Freight costs.

Many Changes Noted

General figures for these various elements of cost are not available, the association says, but comparison of conditions now with those during the past 25 years disclose several important features.

"Cost of delivering the timber to the point of manufacture apart from government taxes and insurance, consists of wages and commodities and depends mainly upon the accessibility of the timber and the conditions under which the operations are carried out. The woods operations of the forest industries have been continually forced back into the less accessible forest areas, in part as a result of colonization, and recent social legislation, while beneficial, does impose a heavy burden of cost upon the forest industries, all of which tend to increase cost of production. These increases in cost have, in part, been offset by the greater use of mechanical equipment and other means of increasing the deficiency and productive capacity of labor.

Stumpage Rates Sharply Up

"Since 1910 stumpage rates of pulpwood have increased five-fold, accompanied by substantial increases in ground rent, and in costs and efficiency in fire protection and in other indirect taxes on forest industries.

"Power costs have substantially increased.

"Freight rates have approximately doubled in the past 25 years.

"Cost of converting the logs or pulpwood into the finished product at the mills has been materially reduced, owing to greater operating efficiency."

Increased plant efficiency has, in part, offset increased costs due to increases of government taxes and freight rates and recession of the woods operations into the less accessible forest lands.

Maintain Competitive Position

The association concludes its survey of this field by saying: "In considering the management of the forest lands of the province, it is to be remembered that the forest industries sell their products mainly in world markets outside Canada, and that the cost of the finished product must be maintained at a level that allows these industries to compete, so that if there is to be an increase in one of the above mentioned elements of cost there must be a balancing reduction elsewhere.

"In view of these considerations it is safe to say that the relationship between the different elements of cost of production and the dangers arising from undue increases in any of the elements of cost must be studied carefully and continuously in any examination of policy for management of the forest lands of the province."

Keep Down Costs

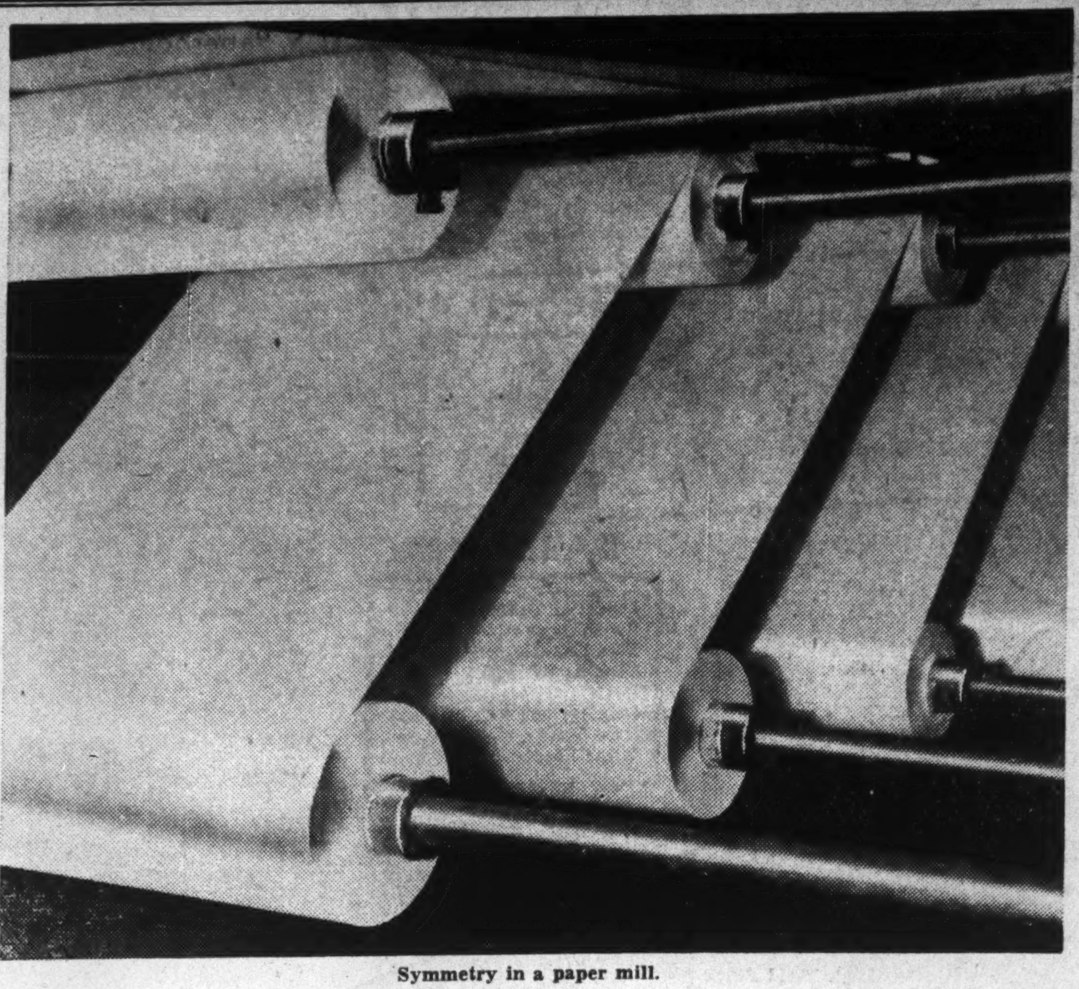
The pulp and paper industry is well aware of the changing trends in woods operations. It is alive to the fact that if Canada is to continue holding her dominant position in the world market then woods costs must be kept down.

To that end the operators are taking an increasing interest in mechanical logging. At present the wood is cut during the winter months and piled along river banks awaiting the spring break-up. It is then floated down the rivers, stored in booms, cut, treated and piled in the woodpile for later conversion into pulp. All this takes time and large sums of money are tied up in logging operations and the woodpile. Considerable savings are possible if some method or methods can be devised to hasten the delivery of the wood from the limits to the mill and provide for greater regularity of supply.

Consider Mechanical Equipment

Toward that end the eastern operators have been giving increasing thought to the wider use of mechanical equipment and a modified form of the mechanical logging methods used in British Columbia. The latter system, of course, is not suitable in its entirety for the eastern provinces, but some features might be incorporated in their operations.

This phase of the woods operations has, as yet, not advanced very far. On the other hand, the increasing use of mechanical methods may be looked for in the next few years. In this way the pulp and paper operators expected to offset, in part if not in whole, the higher costs of woods operations which ordinarily would follow as woods operations grow more distant from the mill.



Symmetry in a paper mill.

Paper Output Off 30.6% This Year

Canadian newsprint mills produced 741,110 tons less in the first eight months of 1938 than in the like period of 1937, a decrease of 30.6%, according to the Newsprint Service Bureau.

The output in the United States was 103,884 tons or 16.5% less than in the first eight months of 1937; in Newfoundland 72,554 tons or 30.4% less, making a total decrease for North America of 917,548 tons, or 27.9%.

Finances are Strengthened

Industry Adds Nearly $38.5 Millions to Working Capital in Last 5 Years

Over the last five years Canadian pulp and paper operators have improved their working capital position by around $38.5 millions. This is a remarkably good showing in view of the conditions that have prevailed. While much of this improvement has been at the expense of the bond and stock holders, still this strengthening of the financial position cannot be regarded as other than a favorable factor.

At the end of 1933 four of the 18 principal pulp and paper manufacturers in this country reported current liabilities in excess of current assets, while two other operators were in receivership. The aggregate excess of current assets over current liabilities that year was just short of $15.3 millions.

Build up Position

A steady though not spectacular improvement followed. A moderate gain in working capital was reported in 1934. By the end of 1935 two operators still had an unfavorable balance and an equal number were in receivership. But as a group net working capital had been increased to $28.7 millions.

The greatest change has taken place in the last two years. A minor advance in pulp and paper prices, combined with an exceptional demand last year, brought about a healthy increase in working capital. The excess of current assets over current liabilities jumped to the impressive figure of $53.9 millions. This is probably the largest total ever reported by the industry.

Improvement General

Comparative figures of the individual returns follow:

Working Capital Position

	1937 $	1933 $
Abitibi	$5,302,571	*$283,115
Bathurst	1,887,293	1,894,212
B. C. Pulp	682,315	818,038
Brompton	2,078,951	1,944,273
Consolidated	2,308,856	*†5,865,516
Donnacona	880,663	543,603
Dryden	560,537	567,149
Fraser Cos.	3,010,593	*89,087
Great Lakes	1,464,566	§
Hinde & Dauch	981,242	587,385
Howard Smith	2,559,057	1,893,083
Can. Inter. Paper	18,702,219	9,532,673
Lake St. John	1,617,532	458,224
Mersey	1,428,674	*2,938,714
Price Bros.	6,599,189	§
Provincial Paper	2,675,119	2,140,552
Rolland	966,444	1,073,888
St. Lawrence Paper	312,027	563,098
Total	‡53,917,848	15,297,333

*Excess of current liabilities.
†To nearest fiscal year.
§In receivership.
‡$45,854,093 exclusive of Great Lakes and Price Bros.

Cut Down Loans

The improvement in working capital has been accompanied by a decrease in bank and other current loans. At the close of the 1934 fiscal year 12 companies reported loans of over $28.8 millions and at the end of 1937 $20.1 millions.

Though a better showing might have been expected in respect to current borrowings, the drop of only $8.7 millions is explained by the fact that last year there was relatively heavy borrowing to temporarily finance greatly increased inventories. If the extent to which inventories were increased last year is taken into consideration, it would be found that the drop in current borrowings was appreciably greater.

The progress which has been made in reducing bank borrowings is shown in the following table covering returns for 1937 and 1934.

Banks and Other Current Loans

	1937 $	1934 $
Abitibi	2,600,000	3,745,446
B. C. Pulp	270,736	210,000
Brompton	......	34,081
Consolidated	†7,892,617	*13,225,044
Donnacona	560,000	100,000
Fraser Cos.	2,476,957	4,398,307
Lake St. John	......	148,481
Mersey	521,000	3,543,000
St. Law. Paper	1,593,019	624,246
Howard Smith	1,250,000	146,000
Price Bros.	†2,877,000	*2,693,000
Rolland	100,000	......
12 companies	20,141,329	28,867,605

†Year ends March 31, 1938.
*Year ends March 31, 1935.

Domestic Mills Use Major Part Pulp Output

Nearly 80% of the pulp produced in Canada is made in combined pulp and paper mills for their own use in paper-making. About 17% is made for export and the remainder for sale to other paper mills or factories making other pulp products in Canada.

Woodpulp Ranks Eighth Among Export Products

Woodpulp ranked eighth among the principal individual commodities exported from Canada during the year ended March, 1937. During the fiscal year 1890 Canada's exports of woodpulp were valued at only $168,180; ten years later they amounted to $1,816,016, no quantities being reported prior to 1908. During the fiscal year ended March 31, 1926, the exports amounted to 992,319 tons, valued at $49,909,870, the peak year. Annual decreases followed, down to 439,291 tons valued at $17,786,135 in 1933. In the fiscal year 1934, however, there was an increase to 645,307 tons valued at $25,102,381. In 1935, the quantity dropped to 612,477 tons, with an increase in value to $25,869,296, and in 1936 there were increases in quantity and in value, with 686,144 tons valued at $28,103,970, while for the fiscal year ending March 31, 1937, 789,601 tons valued at $33,210,237 were exported, marking an increase over the previous fiscal year of 15% in quantity and 18% in value.

Bleached Sulphite Leading Export Item

Bleached sulphite was the most important fibre exported in 1936, forming almost 47% of the total tonnage. The United States took over 82% of this, and Japan, France, Italy and the Netherlands took another 7%, while the Empire countries, the United Kingdom, British India and New Zealand, absorbed 9% of the total tonnage in 1936, as compared with 10% in 1935. The exports of this class of pulp increased on the whole in quantity and in value. Exports to British Empire countries increased very little, while those to foreign countries showed increases of 13.6% in quantity and 14.3% in value.

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Spruce and Balsam Leading Pulpwood Types

There are relatively few kinds of wood used in pulp manufacture in Canada, spruce and balsam fir making up 90.2% of the total. Hemlock, jack pine and poplar are also used extensively, together with smaller quantities of less important kinds. Increases were reported in quantity consumption and total value for all the principal kinds used in Canada as a whole. The average values per cord of spruce, balsam and hemlock increased, but those of jack-pine, poplar and miscellaneous woods declined. The average value per cord of all pulpwood was $7, as compared with $6.85 in 1935, spruce and balsam among the principal kinds, bringing the highest price at $7.10 and jackpine the lowest at $6.08.

Industry Uses 96% of Available Power

About 96% of the total power in the pulp and paper industry was in use in 1936, the remaining 4% being held in reserve or being idle during the year. Over 99% of the equipment in British Columbia was in use, 97% in Ontario and over 95% in Quebec and the combined provinces of Nova Scotia, New Brunswick and Manitoba.

Mechanical Pulp Nearly Half of Total

In 1936 over 49% of the total quantity of wood used in pulp-making was converted by the mechanical process. About 41% went into the manufacture of sulphite and the remaining 10% into sulphate or kraft and soda. On account of the relatively large quantity of wood required in the making of a ton of chemical fibre, the chemical processes were responsible for the consumption of the bulk of the wood used, although the quantity of chemical fibre made was much less than that of the groundwood pulp.

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Specify "Earnscliffe Linen Bond" to your printer or lithographer.

Branch Office: TORONTO, Ont. Mills at ST. JEROME and MONT ROLLAND, Que.

WE PAINTED THE TOWN
WITH
THORP-HAMBROCK PAINTS

We are indeed proud of our association with the Ontario Paper Company in being chosen to supply their complete requirements of paints and finishing materials throughout the paper mill at Baie Comeau, the houses in the townsite and the power plant at Outardes Falls, Que.

THORP-HAMBROCK COMPANY LIMITED
Makers of Paints, Varnishes, Lacquers, Enamels
MONTREAL and TORONTO

Paperboard Use Widens

Definite Advantages Give New Stimulus to Packaging

One of the outstanding features of modern merchandising in the last few years has been the almost revolutionary change in packaging methods. Starting slowly at first the movement rapidly gained momentum and practically every national as well as local distributor has adopted the newer ideas made possible by the use of paperboard.

The same set of conditions is to be found in the shipping business. The use of low-weight, strong packages of paperboard has made tremendous progress at the expense of the older type of wooden box container. The paperboard box has been found eminently suitable for a large variety of articles. Shipping costs have been reduced; handling charges lowered; less storage used, etc.

Industry Ahead of Demand

The rapid growth in the use of paperboard and its products naturally attracted new capital. As in newsprint, pulp and other divisions, the promise of large profits resulted in overextension of the industry, at least the industry expanded more rapidly than did the demand. The result was that for a time the Canadian industry was badly off. A number of the operators were forced into bankruptcy with heavy loss to investors.

The reorganization period is largely over. The Canadian paperboard and paperbox industry is more efficiently organized now that it has ever been. Uniform policies have been established for the industry, making for greater stability.

So far the companies in this field have not been able to restore their earning power to the point where it is possible to pay dividends on the junior money invested. However, the steady improvement that has been made—allowing for the current recession—gives promise that in time the industry will justify the confidence of the investors.

Hinde & Dauch

Hinde & Dauch Paper Co. of Canada is an important manufacturer of fibre shipping boxes, corrugated paper products, paperboard and also produces straw paper for corrugating purposes. Plants are at Toronto, Trenton and Montreal. The company is controlled by the Hinde & Dauch Paper Co. of Ohio.

Last year plant improvements costing $305,000 were installed and this year new equipment is being installed in the Trenton plant which would increase its capacity from 100 to about 120 tons per day. The Toronto plant now has a capacity of about 225 tons of paperboard daily. Demand for the company's products was slightly less in the first half of 1938 than in the closing months of 1937. Recent reports indicate that the container end of the company's business was down about 18% from last year, while paperboard line was down around 10%. It is also understood that company officials are somewhat less optimistic about the immediate outlook than a month or two ago, although it is not believed that the current 25-cent quarterly dividend is in any danger.

Investment interest in the company is now confined to its common stock as the former bond issue of $1.1 million was called in May, 1937, and replaced with a new issue of 4% bonds amounting to $750,000 which were privately subscribed. Dividends in the common stock were suspended for a period prior to 1934. Since then varying rates have been paid and the current rate of $1 a share annually has been in effect since the end of 1936.

Directors — Sidney Frohman, pres., Sandusky, Ohio; L. F. Winchell, vice-pres. & gen. mgr.; T. E. Lloyd, treas., Toronto; J. H. MacLeod, sec., Sandusky, Ohio; M. H. McArthur, gen. sales mgr., R. L. Warren, Toronto; M. H. Murch, Cleveland, Ohio.

Canadian Paperboard

Shareholders of Canadian Paperboard Ltd. in 1937 approved the sale of the company's properties to Robert Gair Company of New York. The purchase price of the property was $612,500, of which $62,500 was payable in cash and the balance in 6% forty-year income notes. Early in September, 1937, the distribution of the Robert Gair Company income notes was made to holders of the 7% preference stock of Canadian Paperboard at the rate of $30 in income notes for each $100 par value of preference stock held. No balance was available for distribution to common shareholders.

In 1936, Canadian Paperboard reported a net loss of $18,418 to which was added a previous deficit, making a total deficit shown on the balance sheet of $78,119. For the six months ended June 30, 1937, the net loss was $3,139.

Robert Gair Co.

Robert Gair Company Inc. is an important paper box manufacturer in the United States. Through its wholly-owned subsidiary, Gair Company, Canada, Ltd., plants are operated in Montreal, Toronto, Frankfort, Campbellford, Hamilton, London and Windsor. Altogether the company operated 24 plants in Canada and the United States at the end of 1936.

Products manufactured include paper and corrugated cartons, fibre shipping cases, paperboard and other paper box products. Gair Company (Canada) has acquired the plants of Dominion Boxboards Ltd., Fibre Boxes Ltd., York Paper Mills, Ltd., Firstbrook Boxes Ltd., Canadian Paperboard Ltd., and Envelope & Cartons (Western) Limited. These plants were largely acquired through the exchange of securities for 6% income notes of Robert Gair Company and a first mortgage bond issue which was issued to Dominion Envelopes Ltd. along with cash consideration, for the four companies which the latter sold to Gair.

In the six months ended June 30, 1938, consolidated profit and loss statement shows that a loss of $35,688 was suffered after allowing for income note interest, compared with a profit of $671,930 in the corresponding period of 1937. Interest has always been paid promptly on the income notes.

Directors—Geo. W. Gair, chm.; E. V. Donaldson, pres. and gen. mgr.; F. W. Denio, G. H. Fairbanks, Parker Newhall, Mathew Robinson, T. R. Pierce, N. P. Rathvon, Charles Oechler. Vice-pres. and Compt. — E. O. Sommer. Sec. — W. F. Howell. Treas.—Ernest Meyer. Asst. sec.-treas.—A. J. Bauser. Asst. Compt.—H. von Hasslacher.

Ready for the log drive.

G. W. Hendershot

G. W. Hendershot Corrugated Paper Co., Hamilton, last year succeeded a former private concern of the same name. It manufactures corrugated paper, containers and allied products. Sales are made chiefly under contracts with large department stores and distributors in eastern Canada. Additional machinery installed in the plant last year increased capacity by about 50%.

The present company started operations in March, 1937, and from then until the end of the year had an operating profit of $52,873. After various deductions and expenses, a net profit of $25,086 was realized, equivalent to 83 cents a share on the 30,000 common shares outstanding. An initial dividend of 10 cents was paid last December.

Current assets at the end of 1937 amounted to $82,568 and the current liabilities were $73,535, leaving working capital at $9,033. A bank loan of $29,000 was shown at that time.

Directors—G. W. Hendershot, pres.; Wm. Mayall, vice-pres.; M. F. Brevillier, sec.-treas.; S. S. DuMoulin, Argue Martin, all of Hamilton.

Canadian Wirebound

Canadian Wirebound Boxes is an important manufacturer of wirebound boxes and crates, plywood cases and other items including the "Dominion" sliding drawer storage files. The company also holds Canadian rights to certain patented box equipment and methods. Plants are operated by the company at Toronto and Montreal.

New equipment costing approximately $50,000 has recently been installed for the production of two new types of containers to which the company has exclusive patent licenses. An increased sales volume is expected as a result.

Like other concerns in the container business, volume of sales is closely allied to fluctuations in general business activity. A slowing up of business was experienced in the last half of the year which ended April 30, 1938. In spite of this a slight increase in earnings resulted, reaching the highest level since 1930.

Regular dividends of $1.50 a share were paid on the class A stock last year and an extra payment of $1 a share made on arrears in July, 1937. Arrears of dividends on the class A are thus reduced to $2.25 a share. No payments have been made on the class B stock since 1930, but the dividend is not cumulative. Steady progress has been made by the company [illegible] its cumulative participating class A shares. Another 700 shares were redeemed last year, reducing the number of shares outstanding to 51,884 from the original 90,000 shares issued in 1928. The stock can be purchased in the open market by the company at prices not to exceed $23.40 a share. Both classes of stock are entitled to one vote per share.

Directors—D. L. White, Jr., chm., Midland, Ont.; A. M. Dunn, pres. and man. dir.; H. A. Greene, vice-pres.; H. M. Millar, asst. sec.; E. G. McMillan, S. P. Playfair, H. L. Trapp, Toronto; A. K. Cameron, Montreal. Sec.-treas.—J. P. Berney.

Corrugated Paper Box

The Corrugated Paper Box Co. specializes in the manufacture of shipping containers and folding cartons. The main plant is at Leaside, Ont., and a subsidiary, Hilton Bros., owns a plant at Winnipeg.

Due to the uncertain outlook and the fact that earnings for the first six months of the current year were not sufficient to cover dividend requirements on the preferred stock for the period, directors decided to defer the Sept. 1, 1938, payment. Although there is usually a seasonal upturn in volume during the last half of the year with September being the best month in the year, to date this upturn has not been apparent in 1938.

Income funding rights were issued early in 1936 in settlement of the arrears on the preferred stock which amounted to $33.25 a share, and considerable progress has been made to the end of last year in redeeming these rights. A decline in working capital last year to $271,878 largely reflected expenditures made on new machinery and equipment.

Directors—A. T. Whealy, pres. & treas.; *J. A. Gairdner, vice-pres.; J. A. Whealy, vice-pres. & sec., Toronto; Henry Hilton, Winnipeg mgr.; W. J. Hilton, Winnipeg; *W. A. Woodcock, William Lawrence, Toronto. Man. dir. Folding Carton Division—F. L. Clouse.

*Representing preferred shareholders.

Paper Board and Boxes

Stocks:	Outstand. $	Earned Per Share 1937 $	Earned Per Share 1936 $	Div. Rate $	Price Range 1937-38 High	Price Range 1937-38 Low	Last Price	Yield %
Corrugated Paper Box:								
7% Pref. cum. red. S. F., par $100 ...	726,000	11.43	11.60	*	95½	60	60	..
Common, n.p.v. ..	47,000 shs.	0.31	0.32	nil	..	..	..	..
*Deferred Sept. 1, 1938.								
Donnacona Paper:	(See Newsprint Section).							
Hinde & Dauch Paper:								
Common, n.p.v. ...	299,933 shs.	1.82	1.32	1.00	22¼	13⅞	14⅝	6.9
G. W. Hendershot Corrugated Paper:								
Common, n.p.v. ...	30,000 shs.	....	....	*0.10	..	..	..	..
*Initial. Paid Dec. 22, 1937.								
Canadian Wirebound Boxes:								
Class A, n.p.v.	51,884 shs.	*1.78	*1.69	1.50	25	17	18	8.3
Class B, n.p.v.	40,000 shs.	1.28	1.19	....	..	..	..	..
*Years ended Apr. 30, 1938 and 1937.								
Dominion Containers:								
1st Pref., par $100 ..	252,500	Not available		....	..	..	..	..
Cl. A part., 6% n.p.v.	10,660 shs.							
Class B, n.p.v.	14,582 shs.							

Bonds:	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1937	Times Int. Earn. After Deprec. 1936
Donnacona Paper:	(See Newsprint Section).				
Robert Gair:					
Income Notes	6	....	†3,297,350	Not available	
†In addition $3,400,000 pledged as security for bank loan.					
Gair Co. of Canada:					
1st & Gen. Mtge. S. F.	6	1956	*1,182,000	....	....
*$65,000 pledged to secure obligation payable for acquisition of properties; $33,900 due in 1938.					
Hinde & Dauch Paper:					
1st Mortgage	4	1942	750,000	16.61	8.40
Dominion Containers:					
1st Mtge. Serial	5	1937-46	250,000	Not available	
Coll. Tr. S. F. Debs.	6	1945	716,600		

Leading Newsprint Exporter

Canada occupies first position by a very wide margin among the world's chief exporters of newsprint paper, her exports being almost eight times as great as those of Finland, her next competitor.

U. S. Paperboard Unfilled Orders Up

From Our Own Correspondent

MONTREAL. — Although paperboard production in the United States in July jumped nearly 10,000 tons from the June rate of production, unfilled orders at the end of the month stood at the highest level since the end of September last year, according to a report issued by the U. S. Department of Commerce. At 93,637 tons unfilled orders increased nearly 17,000 tons over the 76,693 ton total at the end of June and compared with 143,401 tons at the end of July, 1937.

United States production amounted to 306,343 tons in July against 296,960 in June and 346,721 in July a year ago.

The output last July was the third greatest for the year up to that time and was at 59.7% of capacity against the high for the year of 59.8% in February and March.

For the first seven months of 1938 the industry produced 2,061,000 tons of paperboard. This contrasts with 2,728,000 tons in the like period last year and 2,001,715 in a similar period of 1936.

Pulp & Paper Carloadings Continue on Same Level

From Our Own Correspondent

MONTREAL.—Canadian railways report that carloadings of pulpwood, pulp and paper continue to run from 25% to 35% behind those for last year. After getting away to a good start early in the year, pulpwood loadings have in recent weeks settled down to about two-thirds of the rate for the corresponding period of 1937. There has been a minor change for the better in pulp and paper loadings. The latest returns follow:

Carloadings of Pulpwood	
Week ended Sept. 10, 1938	1,078
Week ended Sept. 11, 1937	1,579
Year to Date	
1938	67,796
1937	61,536
1936	45,444
Pulp and Paper Carloadings	
Week ended Sept. 10, 1938	1,442
Week ended Sept. 11, 1937	2,005
Year to Date	
1938	60,677
1937	94,721
1936	78,889

Niagara Wires

FOR DEPENDABLE SERVICE

MADE BY

Niagara Wire Weaving Company, Ltd.
NIAGARA FALLS ONTARIO

Largest manufacturers of brass and phosphor bronze wire cloth for the Pulp and Paper industry.

Newsprint Leading Product

Newsprint paper formed over 80% of the total production of paper in Canada since annual statistics were first collected in 1917 and made up over 85% in 1937.

Quebec Produces Most Paper

Quebec was the most important paper producing province in Canada in 1937 with over half of the total tonnage for the Dominion as a whole.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning directly or through subsidiary companies, mills at

Beaupre, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.
Port Arthur, Ont.

Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

MORE THAN A QUARTER CENTURY OF LEADERSHIP

SINCE THE REIGN of Queen Victoria, through good times and bad, Oxford Super, a Provincial Paper, has been the most used Canadian paper for catalogue, book and publishing requirements.

TIMES, AND METHODS, have changed since then, but Oxford Super's leadership remains unchallenged. Such leadership has not been mere good fortune. It is the result of a constant study of current conditions and demands and continual development to meet those conditions. This is the guiding principle of Provincial Paper Limited. As new refinements and better methods in printing and paper become known, Provincial Paper is among the first to present them.

TODAY THE "PROVINCIAL" TRADE-MARK identifies the finest quality and value in Canadian papers. This applies not only to Oxford Super, but throughout the entire range of high-grade book, bond, coated and writing papers produced in our five Canadian mills.

PROVINCIAL PAPER LIMITED
Makers of Fine Canadian Papers
Head Office: TORONTO, CANADA *Branch Office:* MONTREAL
Mills at: Mille Roches, Thorold, Georgetown (2), Port Arthur

Just Pulverizer Hammers—but they help make cheaper paper

In crushing coal for the automatic stokers on the steam boilers, Pulverizer Hammers take a beating as well as the coal.

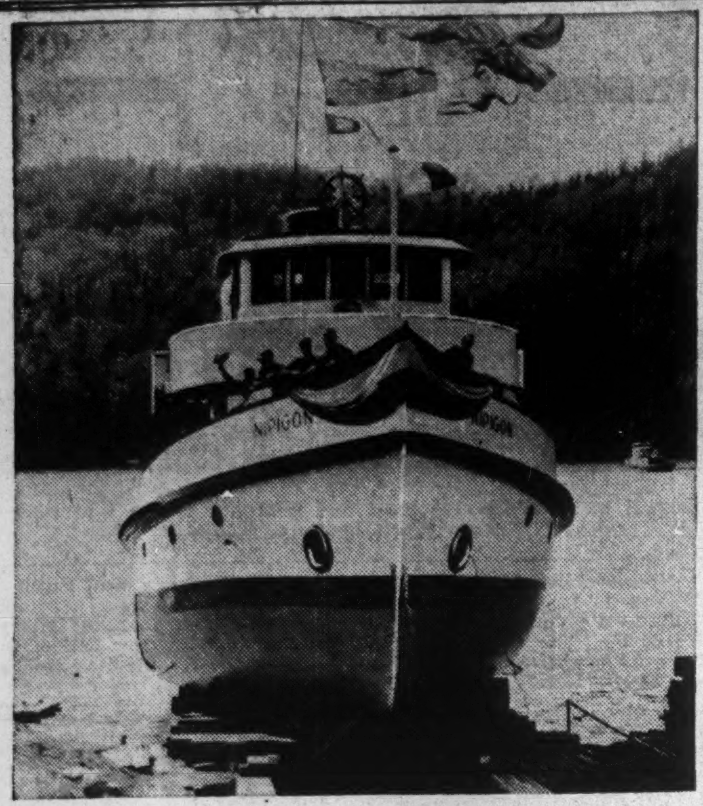
The tougher the Hammers are, the longer they stand up, reducing the maintenance on that particular operation. Even this item affects the ultimate cost of paper.

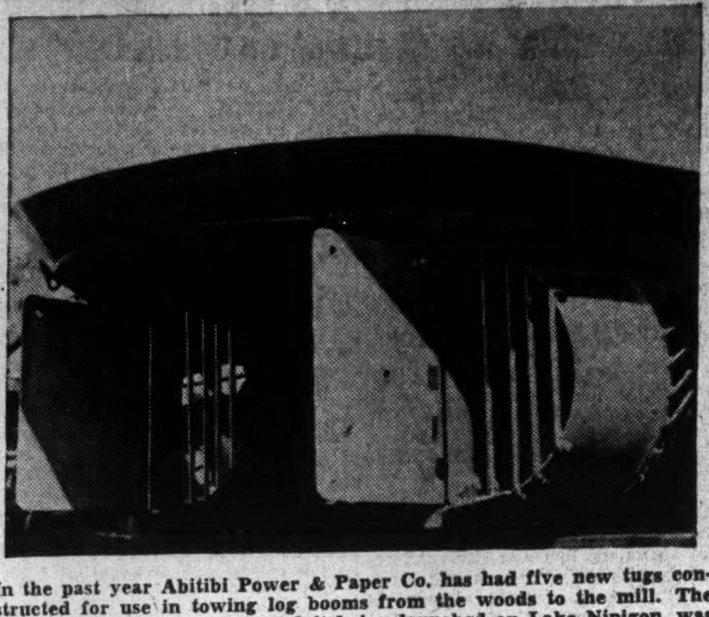
Manganese Steel is standard for the leading manufacturers of pulverizing equipment serving the Pulp and Paper Industry.

Sorel Steel are one of the largest manufacturers of Manganese Steel wearing parts in the Dominion. Play safe and specify "Sorel Steel."

The largest mines in the country are regular users of our Manganese Steel Products.

Sorel Steel FOUNDRIES LIMITED
SOREL "Where the Richelieu meets the St. Lawrence" QUEBEC
EXECUTIVE & SALES OFFICES: MONTREAL
TORONTO VANCOUVER





In the past year Abitibi Power & Paper Co. has had five new tugs constructed for use in towing log booms from the woods to the mill. The "Nipigon," which is shown at left being launched on Lake Nipigon, was built on the shores of the lake where it is to be used.

Tugs to be used exclusively for towing logs need special protection. Above picture of one of the new Abitibi boats shows the grill and shield protecting the two propellers from risk of damage by logs. Shown also are the twin rudders giving special ease of handling.

Pulp and Paper Leads Parade

Returns for Canada's Largest Manufacturing Industry Analyzed by Dominion Bureau

Pulp and paper industry has headed the lists in wage and salary distribution since 1922 when it replaced the sawmills in this respect, says the Dominion Bureau of Statistics in its latest report. It was first in gross value of production from 1925 when it replaced the flour mills, until 1935 when it was overtaken by the nonferrous metal smelting and refining group.

In these comparisons only the manufacturing stages of the pulp and paper industry are referred to, no allowance being made for the capital invested, the men employed, the wages paid nor the products of the operations in the woods which are considered as a separate industry but which form an important part of the pulp and paper industry as a whole.

Pulpwood operations in the woods are dealt with in reports on primary forest production.

Gross Value Up 16%

Considering only the manufacturing aspect of the industry, the gross value of production in 1936 was $185,144,603, an increase of more than 16% over the figure for 1935, and 50% greater than that of 1933 when the gross production reached its lowest point. Despite this increase, the 1936 figure is still 25% below the record year of 1929. The gross values of the manufactured products of the industry for the last eight years are as follows:

Gross Production

	$
1929	243,970,761
1930	215,674,246
1931	174,733,954
1932	135,648,729
1933	123,415,492
1934	152,647,756
1935	159,325,546
1936	185,144,603

Net Value Heads List

This gross value represents the sum of the values of pulp made for sale, pulp made for export and paper manufactured. It does not include pulpwood nor the pulp made in combined pulp and paper mills for their own use in making paper.

The net value of production or the value added by manufacture is one of the best indications of the relative importance of a manufacturing industry. In accordance with a resolution passed at the Conference of British Commonwealth Statisticians, held in 1935, the net value of production is compiled by subtracting the cost of materials and supplies, fuel and electricity from the gross value of products. Prior to this only the cost of materials was deducted.

In the pulp and paper industry the cost of materials is made up of the sum of the values of pulpwood, chemicals and supplies used in pulpmaking, and of the pulp, chemicals and supplies used in paper-making. The pulp made in combined pulp and paper mills for their own use in paper-making is considered as a stage in manufacture and is not included either as a product of the pulp mill or as a raw material of the paper mill.

With regard to the net value of production, the pulp and paper industry has headed the list since 1920 when it replaced the sawmills. The net value of production, compiled in the manner described above, for the last eight years was as follows:

Net Production

	$
1929	121,739,922
1930	107,523,731
1931	87,858,357
1932	66,855,923
1933	56,880,641
1934	77,243,309
1935	78,647,626
1936	87,150,666

It will be seen that the net production for 1936 increased 11% over 1935, but was still 28% below the peak net of 1929.

If operations in the woods are taken into consideration, the total value to Canada of the industry as a whole may be considered as the sum of the values of pulpwood and pulp exported and the gross value of paper products. This removes any duplication that might arise by the inclusion of pulpwood used in Canadian pulp mills, and pulp used in Canadian paper mills but makes no allowance for pulp that might be used in Canada for purposes other than the manufacture of paper, such as the manufacture of artificial silk, fibreware, etc. This total in 1936 amounted to $187,377,770 as compared with $164,860,585 in 1935.

The various quantities and values discussed above are given in the following tables for the last eight years together with the variations from the year to year and the variation over the entire period.

PRODUCTION

	Quantity			Total Value		
Year	Pulpwood produced cords*	Pulp produced tons	Paper produced tons	Pulpwood produced $	Pulp produced $	Paper produced $
1929	6,536,335	4,021,229	3,197,149	76,120,063	129,033,154	193,193,022
1930	5,977,183	3,619,345	2,926,787	67,529,612	112,355,872	173,626,383
1931	5,046,291	3,167,960	2,611,225	51,973,243	84,780,809	143,957,264
1932	4,222,224	2,663,248	2,290,767	36,750,910	64,412,453	114,115,570
1933	4,746,383	2,979,562	2,419,420	33,213,973	64,114,074	97,030,429
1934	5,773,970	3,636,335	3,069,516	38,302,807	75,726,958	122,174,178
1935	6,095,016	3,868,341	3,280,896	41,195,871	79,722,039	126,868,067
1936	7,002,057	4,485,445	3,807,329	48,680,200	92,336,953	147,854,652

EXPORTATION

	Quantity			Total Value		
Year	Pulpwood exported cords	Pulp exported tons	Paper exported tons	Pulpwood exported $	Pulp exported $	Paper exported $
1929	1,294,995	830,848	Total Quantities not Available	13,314,738	43,367,984	154,919,122
1930	1,330,466	760,220		13,611,617	39,059,979	138,440,242
1931	957,303	622,537		9,359,592	30,056,643	111,114,042
1932	620,124	452,293		4,830,506	18,930,064	86,323,539
1933	718,555	608,510		4,696,459	23,354,637	72,396,132
1934	1,021,285	605,641		6,680,307	25,444,844	87,633,721
1935	1,109,873	662,475		7,041,052	27,625,730	94,041,591
1936	1,235,754	754,496		8,276,423	31,246,695	110,861,428

*Rough cords.

Quantity and Value Up

Increases over 1935, ranging from 15% to 16%, were shown in the quantity of pulpwood, pulp and paper produced in 1936, while the values of these products ranged from 15% to 18%, marking the fourth consecutive year in which increases have occurred in quantity production and the third successive year of increases in total values. As compared with 1929, the quantity of pulpwood produced in 1936 was 7% greater, and the tonnage of the pulp and paper output, 11.5% and 19% greater; values, however, for these three items were, respectively, 36%, 28% and 24% lower than in 1929.

The quantities of pulpwood and pulp exported during 1936 were 12% and 14% greater than in the previous year, while the total values of these exports were 17.5% and 13% greater. Paper exports increased 18% over 1935. The quantities of pulpwood and pulp exported were only 5% and 9% lower than in 1929, but the total value of exported pulpwood, pulp and paper formed only about two thirds to three quarters of the values of such commodities exported in 1929.

Slight Change in Costs

The average values per ton of groundwood and unbleached sulphite pulp, the main constituents of newsprint paper, increased slightly over 1935. Screenings also showed a slight increase. Bleached sulphite, and sulphate and soda, however, were about 1% lower in average value than in 1935.

Very slight changes took place in the average values of the different kinds of paper produced during 1936, as compared with 1935. Newsprint increased 2% from an average of $31.98 per ton to $32.62 per ton in 1936, these being the values at the mill. The increased average value of groundwood, unbleached sulphite and screenings was reflected in the average value of paper boards produced. Paper boards have increased in average value each year since 1933.

General Picture Given

The accompanying table gives the principal statistics in connection with the manufacture of pulp and paper in Canada during 1935 and 1936, by provinces. The primary stage of the industry, the production of pulpwood, is dealt with in reports on primary forest production as the production of pulpwood cannot be separated from the production of sawlogs and other primary forest products.

Ninety-three mills operated in 1936, two less than in the previous year, One mill making pulp only, in Ontario, entirely ceased operations, while the only soda pulp mill in Canada, situated in Ontario, was merged with a combined pulp and paper mill in the same province. One of the pulp mills in Quebec whose paper mill was idle in 1935 resumed paper-making operations during the past year. On the whole there was a decrease of one mill in Quebec making pulp only, and a decrease of two in Ontario, but an increase of one in the number of combined pulp and paper mills in Quebec.

For the Dominion as a whole, increases were shown in all principal statistics except capital employed which declined about 1%. The reduction occurred in all provinces except in the group of misellaneous provinces which showed an increase of almost two millions of dollars over 1935. In addition, the net value of production declined in the group of miscellaneous provinces whereas in the other provinces increases of from 8% to 17% occurred, and there was a total increase of 10.8% in this item for the Dominion as a whole.

Cost of Materials

The ratio of cost of materials to gross value of products for the last five years is shown below:

	Per Cent
1932	36.1
1933	38.6
1934	35.0
1935	36.4
1936	39.0

Wages to Gross

During the same period, the ratio of total wages paid to gross value of products was as follows:

	Per Cent
1932	15.6
1933	16.4
1934	17.1
1935	17.6
1936	17.2

Groundwood pulp formed almost 65% of the total quantity of pulp made in Canada in 1936. The most important chemical pulp was unbleached sulphite which formed over 16% of the total. Bleached sulphite made up over 9% and sulphate 6% of the total.

Every province showed an increase in the quantity of pulp produced in 1936, Quebec increasing almost 17%, Ontario 15.6%, British Columbia 10% and the group of miscellaneous provinces over 18%. Quebec still leads in the manufacture of pulp, with Ontario second, British Columbia third, New Brunswick fourth, Nova Scotia fifth, and Manitoba last.

Increases were shown in the production of every class of pulp. The total quantity produced increased about 16% over 1935. The 1936 output exceeded that of any year since 1908, being 464,000 tons of 11.5% greater than the previous maximum produced in 1929.

Use Most of It

Over 79% of the pulp produced in Canada in 1936 was made in combined pulp and paper mills for their own use in paper-making. About 17% was made for export and the remainder or over 3½% was made for sale to other paper mills or factories making other pulp products in Canada.

There was an increase in the total quantity, the total value and the total average value per ton of pulp made for sale in 1936. All of the five main groups of pulp were sold in greater quantities and at increased total values, although bleached sulphite and sulphate and soda pulp were sold at lower average values per ton than in 1935.

Paper Output Trend

The total production of paper increased in Canada from 1917 to 1920, decreased in 1921, increased steadily from 1922 to 1929 and then decreased each year from 1930 to 1932. In 1933 there was an increase of 5.6% followed by further increases of 26.9% in 1934, 6.9% in 1935 and 16% in 1936. The quantity of paper produced in 1936 was 66% greater than in 1932, but its value was only about 28% greater than the 1932 output. As compared with 1929, the 1936 paper production was 19% greater in quantity but 24% lower in value. In the entire 20-year period from 1917, when annual production figures were first collected, until the peak of production in 1936, the total quantity of all classes of paper increased four and one half times.

In the case of newsprint, which made up almost 85% of the total paper production in 1936, similar annual increases and decreases took place. The 1936 production exceeded that of any previous year, although its value was considerably lower than the maximum of 1929. Four and three quarter times as much newsprint was produced in 1936 as in 1917.

Paper boards followed the same trend as newsprint until 1930. In 1931 a marked recovery took place which was accentuated in the years following to establish a new record in quantity for 1934 and new records in both quantity and value for 1935 and 1936. The quantity production in 1936 was six and three quarter times as great as in 1917.

Analyze Other Products

Increases in the production of book and writing, wrapping and tissue and miscellaneous papers were not so uniform as in the case of newsprint and boards. The production of book and writing, which reached its maximum in 1926, has since decreased to about one and a half times that of 1917. With wrapping paper the production established its peak in 1928 with more than double the quantity produced in 1917; this was followed by annual decreases until 1933 and increases of 17.7% in 1934, 3.4% in 1935 and 16.2% in 1936. In the tissue and miscellaneous paper group the peak was reached in 1929, with a production over five times that of 1917, followed by annual decreases down to 1932, with increases of 2.7% in 1933, 6.1% in 1934 and 22.2% in 1935. A decrease of less than 1% occurred in 1936.

Quebec was the most important paper-producing province in Canada in 1936 with over 51% of the total tonnage for the Dominion as a whole. This province produced the bulk of the newsprint, wrapping and miscellaneous papers and about three eighths of the tissue production. Ontario came second with about 31% of the Dominion total. This province produced the greater part of the book and writing and almost half of the paper board. British Columbia, reporting newsprint, wrapping, boards, tissue and miscellaneous papers, contributed slightly over 8% of the total. The production in the remaining provinces amounted to another 9½%. New Brunswick made newsprint and boards, and Nova Scotia and Manitoba made newsprint only.

Trend of Woodpulp

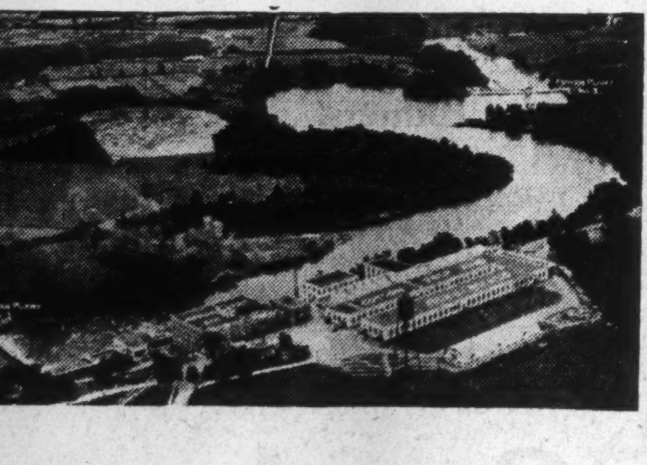
The following summary table shows the trend of production of woodpulp in Canada:

TREND OF PULP PRODUCTION

	Total Production		Mechanical Pulp		Chemical Pulp	
Year	Quantity tons	Value $	Quantity tons	Value $	Quantity tons	Value $
1928	3,608,045	121,184,214	2,127,699	47,549,324	1,392,755	[illegible]
1929	4,021,229	129,033,154	2,420,774	51,617,360	1,501,273	[illegible]
1930	3,619,345	112,355,872	2,283,130	48,317,494	1,265,057	[illegible]
1931	3,167,960	84,780,809	2,016,480	37,096,768	1,086,735	[illegible]
1932	2,663,248	64,412,453	1,696,021	28,018,451	913,438	[illegible]
1933	2,979,562	64,114,074	1,859,049	25,332,444	1,120,513	[illegible]
1934	3,636,335	75,726,958	2,394,765	30,875,323	1,241,570	[illegible]
1935	3,868,341	79,722,039	2,563,711	32,323,820	1,304,630	[illegible]
1936	4,485,445	92,336,953	2,984,282	38,674,492	1,501,183	[illegible]

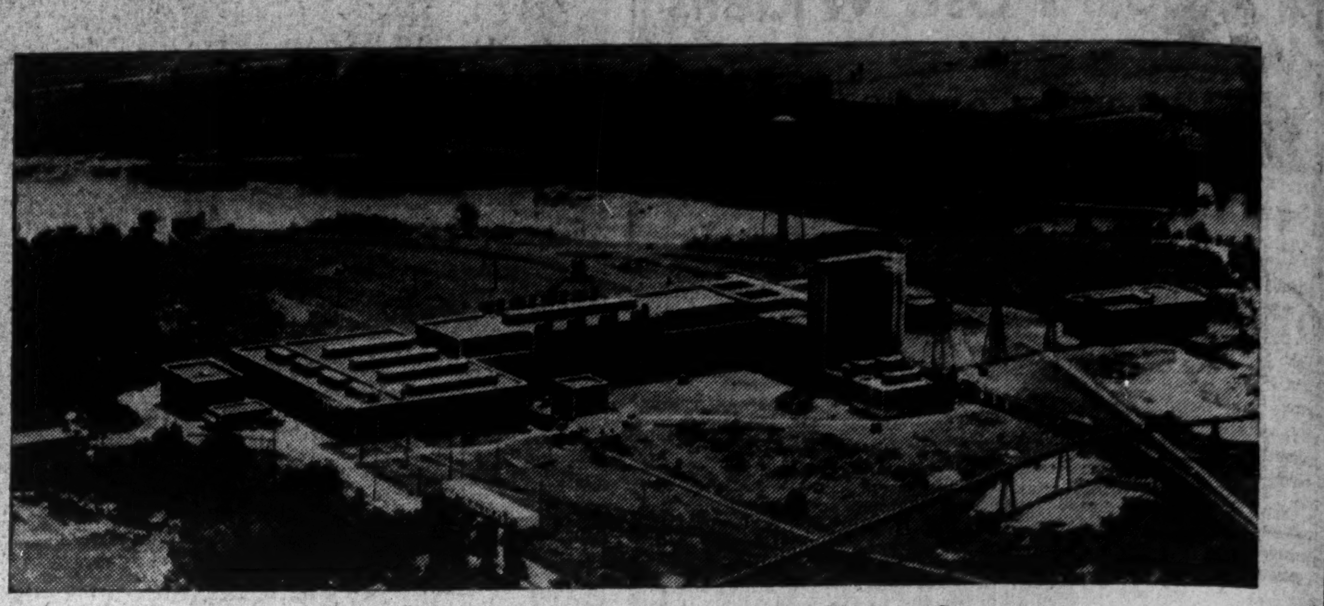
Industry's Balance Sheet, 1936

		Canada	Quebec	Ontario	British Columbia	Other provinces
Establishments	No.	93	41	34	6	12
Pulp mills	No.	25	9	7	2	7
Pulp & paper mills	No.	44	22	14	3	5
Paper mills	No.	24	10	13	1	..
Capital employed	$	539,350,001	263,914,480	170,720,720	46,048,509	58,666,292
Total employees	No.	30,054	14,570	9,145	2,932	3,407
Salaries & wages	$	40,063,852	18,544,953	13,185,738	4,083,308	4,249,853
Fuel used	$	8,443,854	2,735,352	3,215,101	1,019,580	1,473,821
Electricity purchased	$	17,347,100	11,781,258	3,590,133	54,864	1,920,845
Power employed	H.P.	1,674,923	857,446	482,349	134,657	200,471
Pulp-making mater. & sup.	$	51,269,653	23,936,781	16,299,391	3,959,094	7,074,387
Pulp made	$	92,336,953	44,071,292	27,005,484	7,204,539	14,055,638
Paper-making mat. & sup.	$	76,585,710	38,409,092	25,689,587	5,555,794	6,931,237
Paper made	$	147,854,652	73,921,371	48,492,032	11,807,830	13,633,419
Total value of mater. & sup.	$	72,202,983	33,132,626	25,467,091	5,528,256	8,075,010
Gross value of products	$	185,144,603	88,854,952	59,166,958	15,396,905	21,725,788
Net value of products	$	87,150,666	41,205,716	26,894,833	8,794,205	10,256,112



AYERS LIMITED
LACHUTE MILLS, P.Q.
Established 1870

Pulp and Paper Makers' Felts
Woollen — Cotton — Asbestos
*
COTTON TRANSMISSION ROPE
*
PURE WOOL BLANKETS
Household Use — Machine Clothing
Printing — Stereotyping
*
TWEEDS and other WOOLLEN CLOTHS



Aerial view of the modern newsprint mill of The James Maclaren Company.

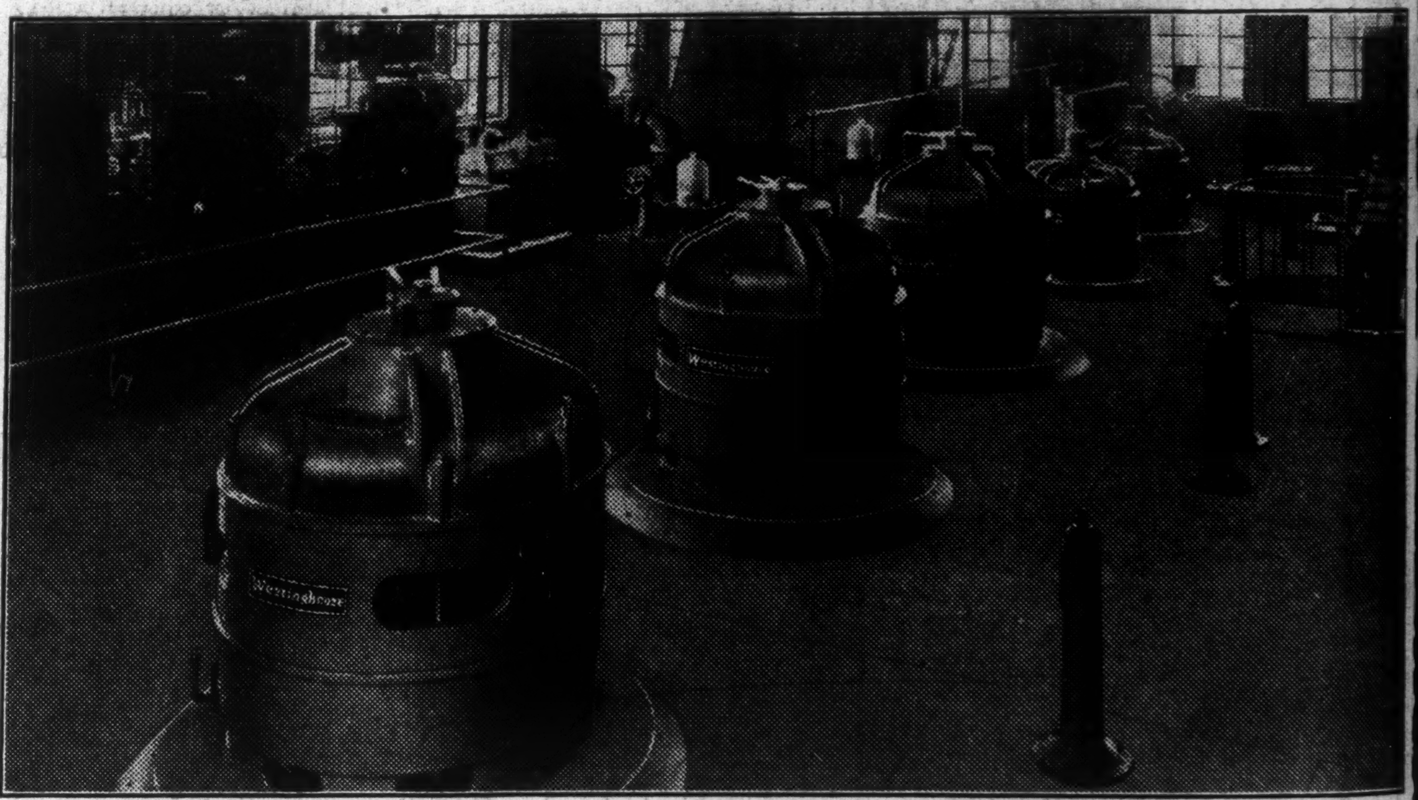
Salient Features of the Maclaren Development
•
POWER
Installed capacity
270,000 h.p.
STORAGE RESERVOIR
30,000,000,000 cu. ft.
GROUNDWOOD
85,000 Tons Annually
NEWSPRINT
350 Tons Daily
PULPWOOD LIMITS
2,600 sq. miles

A Good Name

FOR OVER 70 YEARS the name Maclaren, in the Ottawa Valley, has stood for fair dealing and a quality product.

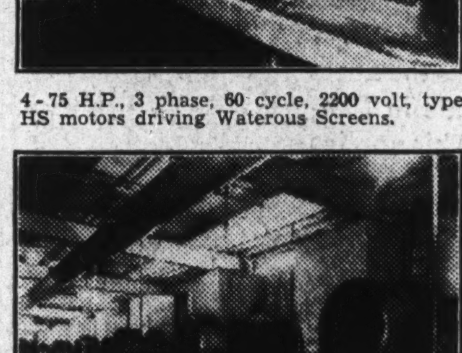
From the early small beginnings in the lumber business, today the great power and forest resources along the Lievre River are developed into a perfectly co-ordinated unit for the economic and efficient production of power and paper.

MACLAREN POWER & PAPER COMPANY
Maclaren-Quebec Power Company
The James Maclaren Company Limited
BUCKINGHAM, QUEBEC



3 - 450 H.P. and 2 - 250 H.P., 3 phase, 60 cycle, 2200 volt vertical H.S. motors with Kingsbury Thrust Bearings in pump service. All equipment shown on this page is installed at the plant of The Anglo Canadian Pulp and Paper Co., Limited, Quebec.

4 - 75 H.P., 3 phase, 60 cycle, 2200 volt, type HS motors driving Waterous Screens.



9 - 75 H.P., 3 phase, 60 cycle, 2200 volts, 350 RPM Engine, type HS motors for Bird Screen drives.

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shows the way . . .

Such a highly electrified industry as the Pulp and Paper Industry requires perfect coordination of the mechanical processes with the source of power. From the substation handling incoming power lines to the final application of electric motors driving beaters, jordans, screens and grinders, you can do no better than specify Westinghouse. A wealth of experience in this field enables Westinghouse engineers to show the way to real operating economy.

CANADIAN WESTINGHOUSE COMPANY, LIMITED
HEAD OFFICE — HAMILTON, ONTARIO
SALES, ENGINEERING OFFICES AND REPAIR SHOPS IN PRINCIPAL CITIES

Westinghouse